

NATION'S BUSINESS



MARCH • 1936

Slum Clearance—or What?

By Frederick A. Van Fleet

It Can Be Done

By O. K. Armstrong

John Smith's Saturday

By Ronald Foxcroft

275,000 NET PAID CIRCULATION

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REDUCED PERSON-TO-PERSON RATES

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Chicago to Cincinnati	1.20	.70	.50	1.60	1.10	.50
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Miami to Boston	4.50	2.50	2.00	5.75	3.75	2.00
Denver to New York	6.00	3.50	2.50	7.50	5.00	2.50
Washington, D.C., to San Francisco	8.50	5.00	3.50	10.75	7.25	3.50

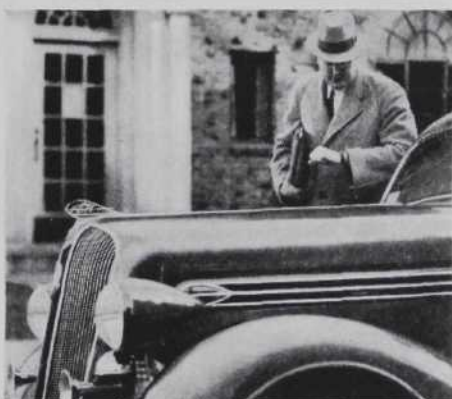


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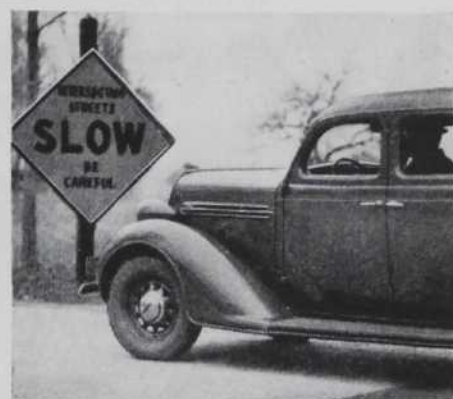
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"DEPENDABLE as a good watch...and that's exactly what my Plymouth means to me!"



"PLYMOUTH'S genuine hydraulic brakes make driving much easier — as well as safe."



"AVERAGES 19.6 miles per gallon, and uses less oil than any car I've had."



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Result is Original Unpaid Balance.
*In some states a small legal documentary fee is required.
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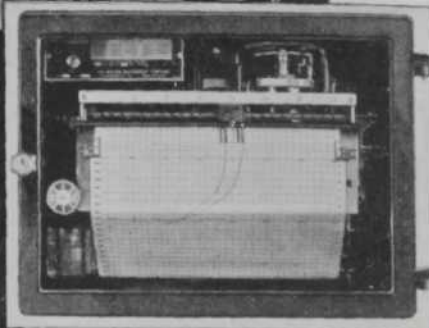


● Every truck operator knows that internal friction causes heat and heat is the greatest destroyer of tire life. The only way to counteract friction and heat is by Gum-Dipping, the Firestone patented process, which soaks the cords in liquid rubber, saturating and coating each tiny cotton fiber and strand within the cord, counteracting friction and heat at their very source. As a result of this patented process, Firestone Tires run up to 28° cooler than tires built without Gum-Dipped Cords.

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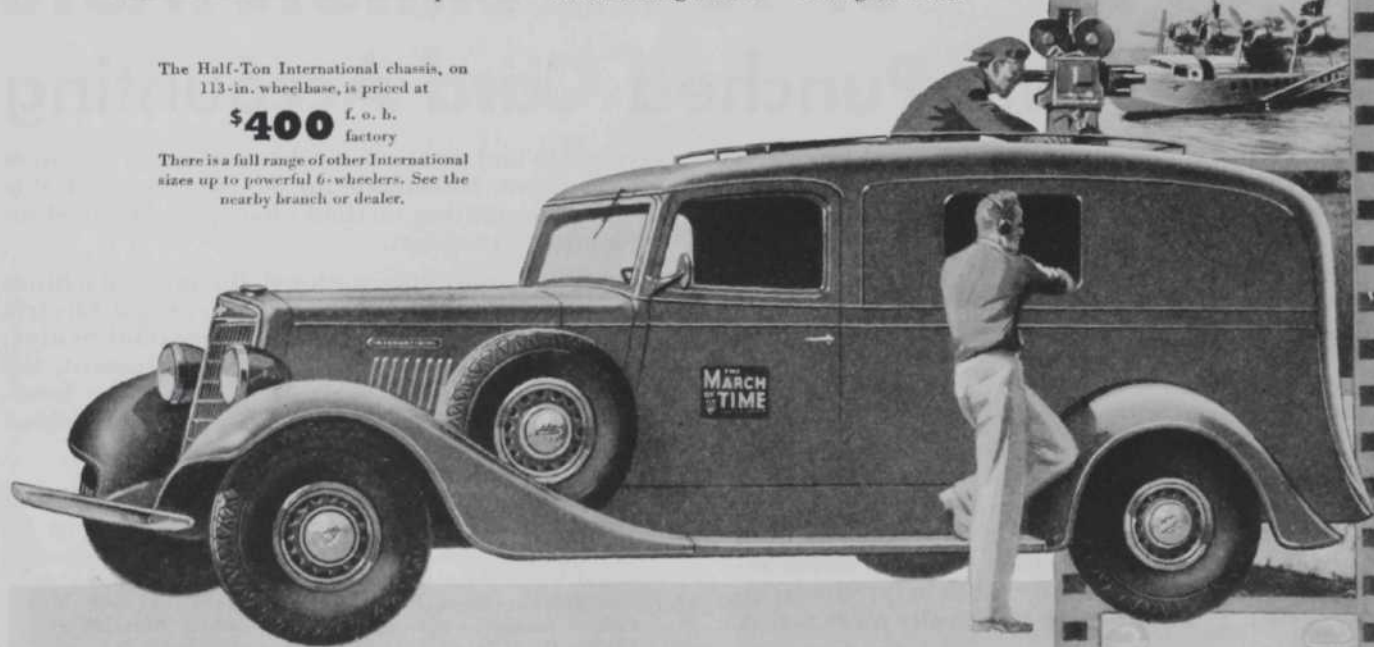
The March of Time uses Half-Ton Internationals for their heavy-duty quality and stamina, and also for their *nation-wide service*. International Harvester maintains the largest Company-owned truck service organization in the world. Wherever duty calls these trucks, they will always be near an International branch or dealer.

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INTERNATIONAL

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NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE UNITED STATES

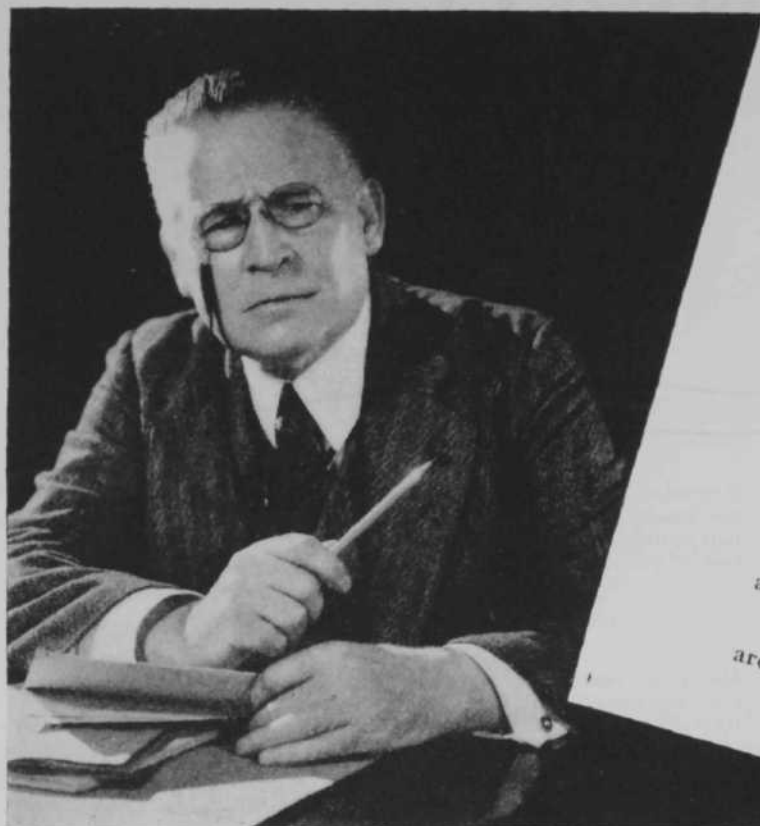
MERLE THORPE, Editor & Publisher

Managing Editor, RAYMOND C. WILLOUGHBY; Contributing Editor, WARREN BISHOP; Business Manager, J. B. WYCKOFF; Director of Advertising, E. V. THOMPSON; Circulation Manager, LAWRENCE F. HURLEY.

GENERAL OFFICE—Washington, U. S. Chamber Building. BRANCH OFFICES—New York, Graybar Bldg. San Francisco, 433 California Street. Dallas, 1101

Commerce St. Chicago, First National Bank Building. Atlanta, Chamber of Commerce Building. As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers. SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00.

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Mutual fire insurance was founded in 1752 — one hundred and eighty-four years ago.
Of the 75 legal reserve companies that constitute the Federation of Mutual Fire Insurance Companies —
Eight companies are more than 100 years old
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Thirty-seven companies are between 25 and 50 years old
Seven companies are between 13 and 25 years old

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An American Institution

THE BUSY MAN LOOKS AT STEEL

Snowball downhill

ONLY TEN YEARS AGO, the Allegheny Steel Company pioneered America's first stainless metal, the fruit of several years' intensive research. Continued fact-finding and development, helped by active industrial interest and a healthy demand, caused a complete family of heat and corrosion-resisting alloy steels, led by the famous Allegheny Metal, to grow up around the pioneer.

There came to be, literally, an Allegheny Stainless Steel to meet *EVERY* industrial demand. Back of each steel rose a mass of accumulated experience, a sure knowledge of the services it could be expected to render; and equally important, of the things it could *NOT* do! For there is no such metal as a *universal* stainless steel. Each has its limitations, which must be recognized by the producer and made part of his service to the users of his products, if sometimes grave and frequently costly mistakes are to be avoided.

Into industry after industry, field after field, these ably-guided stainless steels felt their way, constantly enlarging the scope of their applications as alert executives saw their possibilities. They saved weight, cut costs, improved the quality of products, brought new meaning to the beauty, utility and permanence of steel as a mechanical and structural material.

With what result? *Considering Allegheny Metal alone*, more than 4,000 manufacturers today find this time-tested stainless steel *indispensable* in the manufacture of their products.

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ALLEGHENY METAL—the time-tested stainless steel of universal application — is a product of **ALLEGHENY STEEL COMPANY**, Brackenridge, Pa.; which also manufactures electrical sheets, auto body sheets, metal furniture sheets, black sheets, castings, pipe, and boiler tubes; whose products are carried in stock by all Jos. T. Ryerson and Son, Inc. Warehouses, by Union Hardware & Metal Co., Los Angeles, and by American Brass & Copper Co., San Francisco, Oakland.

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Through the Editor's Specs

Taking the mystery out of an issue

MUCH of the discussion about Congress and the Supreme Court misses the point. Congressmen offer bills to change the relationship; office-seekers fulminate; a national poll is under way, a new book of 480 pages, for use in high school debate, carries the hysterical title "Congress or the Supreme Court—Which Shall Rule America?"

Of course, any high school student might retort, "Neither."

The people rule. They elect a man to Congress. He is an agent. The people set forth clearly by their Constitution just what the agent can do in their name. His powers are limited. Like a sales-agent, he cannot bind his principal to any action outside his agency powers. If a sales-agent is engaged to sell locomotives and he sells an airplane, his principal does not have to make good.

The people have arranged to have their agent's activities checked up to make sure he has not exceeded his authority. Nine men do the job for them.

"Careful," the Supreme Court says to him, "your principal has not given you that power! He has delegated that power, for example, to another agent, the State."

"Oh," says the Congressional agent, "you deny me the right to do something for my principal!"

"He anticipated that situation," is the reply. "He arranged an orderly method for you to go back to him and ask for this additional power."

"But, see, your nine men are divided."

"Good," is the answer. "We know nothing better than majority rule in Anglo-Saxon affairs. The questions raised, naturally, are in the twilight zone. It is too much to expect unanimity."

"Well, then, give us, your agents, a better break. Arrange it so we are right if more than two of your judges vote for us."

"No," the people should answer. "You are dealing with something very dear to us—rights. Personal liberty. Freedom. Rights obtained through a

500-year struggle with rulers like yourselves. A five to four vote is fair.

"If you insist on a revision of the rules, we may insist that if one of our judges has a doubt as to your power or our power it shall remain with us until we can decide the issue by Amendment. To hold back power from our rulers for a few months is not serious; to take it from us might jeopardize the patriotic sacrifices of centuries."

Congress or the Supreme Court—Which Shall Rule America? Neither.

A riddle in the East

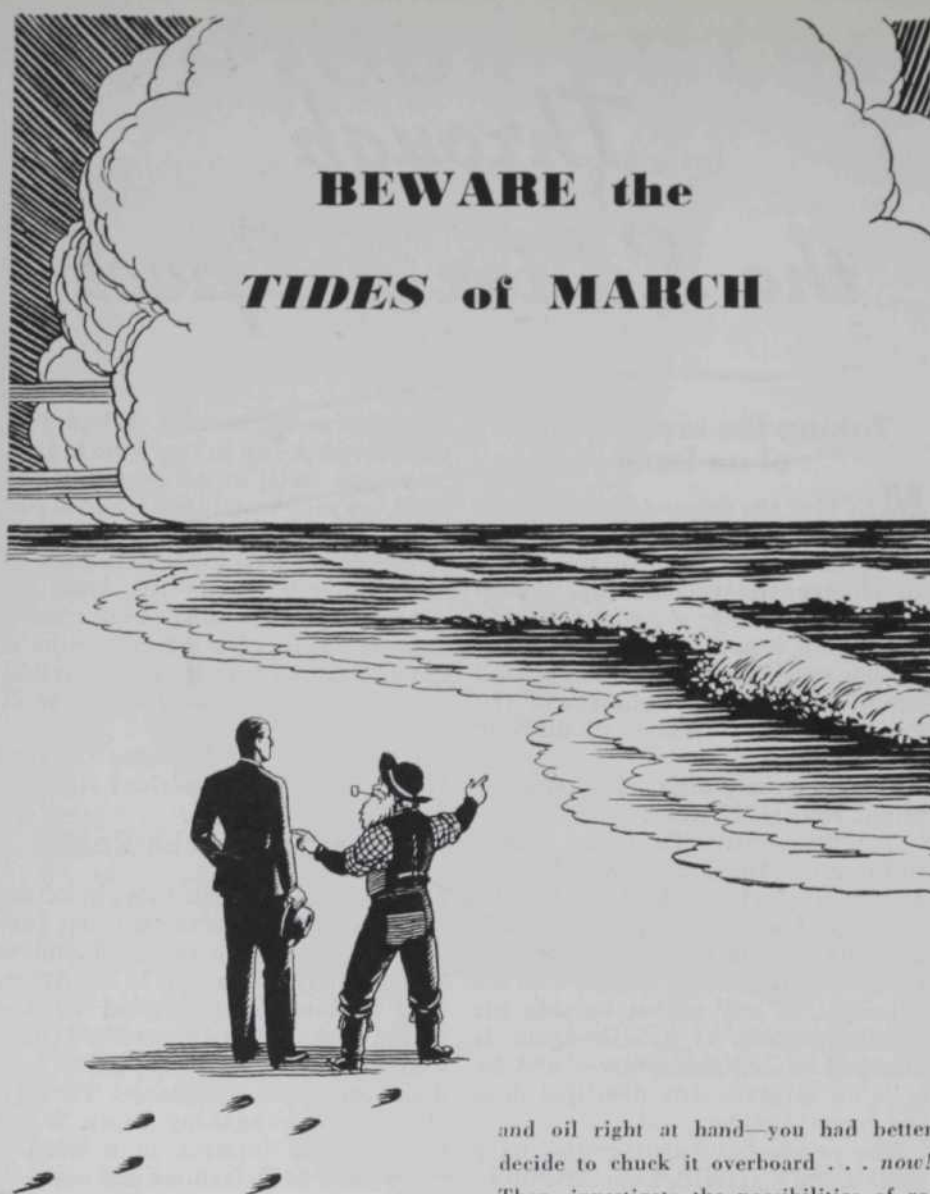
NO ONE takes much thought of domestic or foreign trade without taking thought of the rise of Japanese industry. What it means to the American business is suggested by the action of the Libby-Owens-Ford Glass Company in doubling its stake in a Japanese glass company. Through the Sumitomo banking group, it has extended its interest in a window glass plant at Futashima and assisted in the construction of a new plate glass plant at Yokkichi, commitments which raise its aggregate investment to \$1,000,000.

Whether export of capital is as desirable as export of goods defines an international question by no means as transparent as the stock in trade here involved. What is realistically apparent in the reported transaction is the domestic company's belief that, in the next 25 years, the Japanese will go ahead faster than other people. No tail of this oriental kite the Toledo firm intends to be.

Who are "unemployable"?

HOW many "unemployables" in the aggregate of unemployed is a question which turns upon the knowledge of who are really "unemployable." Catherine M. Dunn has been investigating for the American Public Welfare Association. She spent a month in each of the states of New Hampshire, Pennsylvania, Indiana, and Alabama. Communities have different ideas, she found, about what constitutes unemployability. Some local authorities do not consider a person

BEWARE the TIDES of MARCH



THIS MONTH the tide of recovery continues to come in—but, remember, business ebbs as well as flows. If your "ship" just barely floated off the rocks of depression, take advantage of the opportunity to lighten your load so you won't be left high and dry again.

In these uncertain times it is an economic burden to "carry" a plant that is merely ballast. If your factory isn't located close to sources of basic raw materials—with ample supplies of coal, gas

and oil right at hand—you had better decide to chuck it overboard . . . now! Then, investigate the possibilities of relocating along the Chesapeake and Ohio!

The territory served by George Washington's Railroad is rich in natural resources—and close to your major markets. Here, power and fuel costs are low—American-born labor abundant. And, in addition, it boasts the finest freight and passenger service in the world.

George D. Moffett, Chesapeake and Ohio Industrial Commissioner, will be glad to help you shift your plant. Address your request to him at Huntington, West Va.



George Washington's Railroad
CHESAPEAKE and OHIO
Lines
Original Predecessor Company Founded by George Washington in 1785

with diabetes or heart disease incapacitated for manual labor. Some Alabama relief authorities regard a family as having an employable member as soon as a child reaches his sixteenth birthday.

Local communities by her report are making every effort to prove a family "employable," thus throwing responsibility for their care on WPA. In some cases it was found that relief authorities discriminate among accepted applicants, basing decisions on considerations other than actual need.

Thus it was found that in making mothers' allowances, the question of whether the mother is "deserving" or "decent" is often the first consideration—not her children's need.

That figures on "unemployment" have cast a fearsome if fluctuating shadow across the path to recovery is a fact as familiar as it is formidable. What part of the relief load is carried because of a genuine dearth of jobs, what part because of disqualifying disability, is still a national mystery to which individual interpretations of joblessness add their own lively accents of bewilderment.

Giving the bushel the air

NO LONGER need a jittery nation speculate on when and where the lightnings of inflation will strike. The bushel is the latest casualty. At one official stroke the Secretary of Agriculture decreed that there shall be three cubic feet of corn to a bushel instead of two and one-half cubic feet as heretofore.

What it means, of course, is that the total number of bushels of corn is reduced, with a consequent shrinkage of Uncle Sam's advances on the corn crop.

Should the idea take hold in a really big way, its applications are boundless. There's the acre. Instead of 43,560 square feet it could be officially expanded to 50,000 square feet, say.

By this device, the national corn acreage could be drastically pared without wounding any feelings.

If change must stand on precedent, curtailment of the weight of gold per dollar should satisfy the sticklers. Under the new dispensations insistence that a yard include 36 inches amounts to reactionary quibbling. Only a rubber yardstick can measure the lively variables of political expediency.

Competition in giving

HOW one dealer's innovation became a competitor's necessity is traced by E. C. Parker, secretary of the Patten

Blinn Lumber Company, Los Angeles, in an exploration of the costs of doing business. By his report:

Dealers and their salesmen, in their desire to do something the other fellow didn't do and obtain a trade advantage, began taking off the contractor's sash and door list and then even taking off his lumber list—a practice that was unheard of and frowned upon in the good old days. Then the dealers and their salesmen began to tell the owner and contractor how much prettier the house would be with new "fandangled" mouldings and casings, and the lumber dealer, to keep abreast of competition, soon made all these fancy mouldings and casings without set-up charges.

As each innovation became known, all dealers had to do likewise. No one had any trade advantage and each one's cost of doing business was gradually creeping up. To gain a sales advantage, certain dealers began giving what we called "hand spanked" finish—finish so smooth that the carpenter does nothing but nail and fit it in the building. Then soon after this followed the "shot gun delivery service" which has added so materially to our expenses.

Then about 1928-1929 the "free financing service" followed, when the owner wouldn't buy of a lumber company unless your salesman had arranged the financing of his building for him, unless you had agreed to wait until the last loan payment for your money, had agreed to forego filing a lien (usually worthless) or had agreed to take your account out in second and third trust deeds, or had agreed to wait until he sold his building.

Like the free second cup of coffee which began as a thoughtful gesture of a restaurant man's good will, services offered to customers gratis have a way of working around to the cost sheets. What passes for distinctive generosity may weigh in the balance as ruinous profligacy. Gifts, says the proverb, can break a rock.

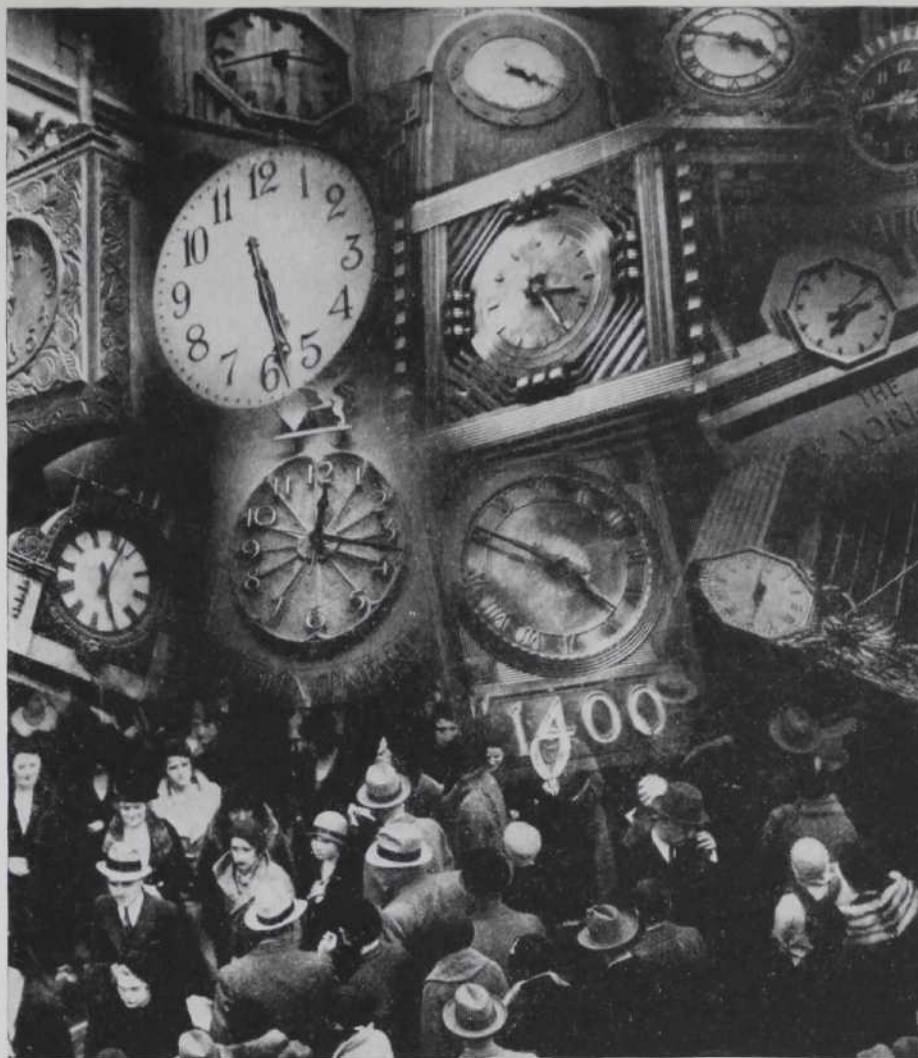
An issue in plane terms

HOW the application of public policy can accent obvious economic disparities is currently illustrated by the case of the Sensenich Brothers, operators of a woodworking plant in the celebrated pretzel town of Lititz, Pa.

From the production of wooden air screws for ice boats, sleds, and the like in a barn, the brothers worked up to the manufacture of airplane propellers. Their wares sold well. One company alone bought 300 propellers last year of a value of \$6,000. The Bureau of Air Commerce gave "approved type" certificates.

Most of the firm's products are designed for planes in the middle price group. Equipped with wooden propellers, as they are, planes of this class do not readily suggest fighting machines. That the question of classification is more real than academic is revealed by report that the firm is now required to pay a \$500 license fee as manufacturers of "implements of war."

If the little Lititz firm is required to pay as much for the privilege of



IT'S *Later* THAN YOU THINK

You can't afford to wait until tomorrow—endless tomorrows—to protect your home, your person and your business against the constant threat of costly hazards. In your community is a trained man to help you study, right now, how you can lay out a program of casualty insurance and bonding protection that will guard you against loss. That man is one of 6500 representatives of Standard of Detroit... a 52 year old organization with a long established reputation for prompt, equitable payment of claims. Standard protects over a million persons—men and women, who decided it was wiser to act today to prevent loss tomorrow.

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STANDARD
ACCIDENT INSURANCE COMPANY
DETROIT



The Pennsylvania Railroad's latest electrification project links New York with the Nation's Capital... makes possible operating economies and faster, more comfortable service.

WINGS FOR THE IRON HORSE

The Pennsylvania Railroad's new electric highway from New York to Washington opens another stirring chapter in the annals of transportation. Heretofore railroad electrification was primarily devoted to the improvement of terminal and main line suburban service, to tunnel operations, and the hauling of heavy freight over steep mountain grades. Today it becomes the new order of railroad modernization on major trunk lines... represents a definite advance in the economical readjustment of railroad facilities to the demands of modern travel.

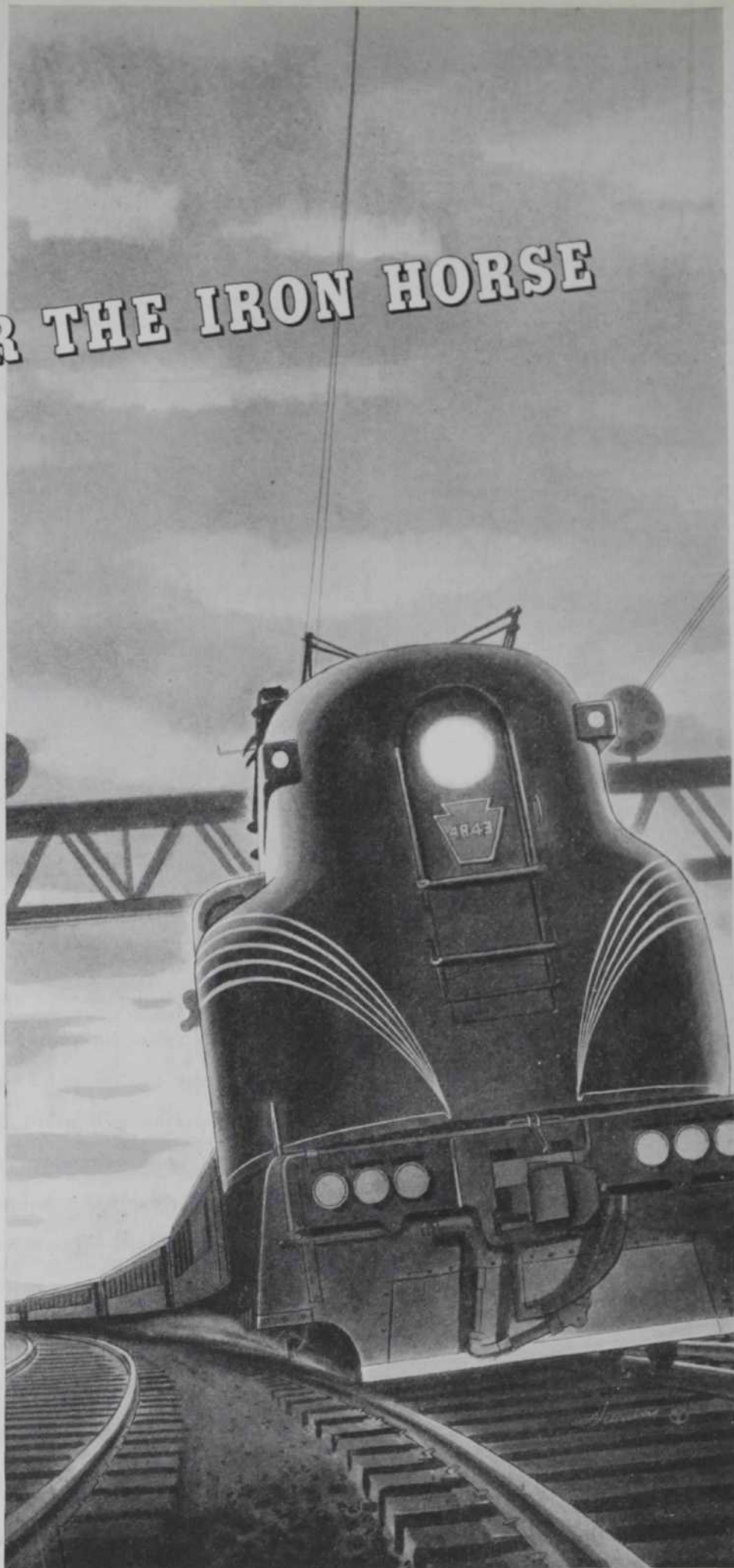
In this advance, Westinghouse has played a major role, consistent with a lifelong tradition of co-operation with the Transportation Industry.

The Westinghouse Electric and Manufacturing Company was reared on that tradition. Its founder invented and brought to brilliant fruition the Westinghouse Air Brake. Its first great achievement was the successful promulgation of the alternating current system... upon which is based the Pennsylvania's system for main line electrification.

To this great project, Westinghouse brought the wealth of a half-century of experience and engineering progress. A conspicuous example of Westinghouse enterprise on every front where electricity is helping to build a new and better economic civilization. Westinghouse Electric & Manufacturing Company, East Pittsburgh, Pennsylvania.



50 YEARS OF
GROWTH AND ACHIEVEMENT



doing business as companies with an annual export volume in the millions, liability under this ruling would seem to amount to a paradox of equality.

Help for self-helpers

DO American workmen want to get ahead? Yes, says George E. Deming, top vice president of the Philco Company. Of the 10,000 men on the pay roll, possibly ten per cent are taking correspondence school courses; about 350 foremen are whetting their ability through courses prepared by Penn State college; more than a hundred men are attending evening classes at the University of Pennsylvania.

The company is refunding each month a part of the money paid by the men for their correspondence courses. This refund is arranged so that only those men who have taken their studies seriously receive it. The names of employees receiving the refund are published in the company bulletin. This action keeps the company's policy of "helping those who help themselves" before the men at all times.

Not the least significant consequence of this self-energizing education may be read from the fact that layoffs and discharges are relatively rare among the men who believe in providing their own oil for the lamp of knowledge.

Hindsight on prophets

CATO used to say that he wondered one soothsayer did not laugh when he met another. A more specific rating is provided by Dr. Eugene Pettie in his doctoral thesis submitted to Chicago University's economics department. After looking into 150 predictions of the commodity price level, 1850 to 1930, he finds, in sum, that, though the business forecasters were hardy and bold, they were only about 65 per cent right in long term predictions, and only about 51 per cent right in short term guesses. Says Dr. Pettie:

In comparing the records of the outstanding forecasting services, it was found that the forecasters typically failed to foresee the turns six months in advance, or else predicted the opposite from the actual trend. Some three months before the turns, the forecasters on the average were somewhat less inaccurate, and just before the turning points they were generally slightly helpful.

There is no convincing evidence that long-term forecasting is improving, the forecasters during the seventies and eighties made the best record of all as judged by an average score of 73 per cent as compared with 68 per cent in the 1920-1930 period.

As a general rule, common-sense analyses stood the test of prediction better than empirical formulas; history pro-

vided no very workable rules, although fundamentally and in a broad sense it is, of course, the source of whatever judgment and insight we possess; nor did any theory of prices find glorious confirmation. Indeed, no single theory as to the true causes of the changes in the price level was applied at all consistently by any forecasting service in connection with its short-range predictions.

Bad as the record looks by Dr. Pettie's appraisal, it may be that the very hardihood he so factually decries is a mainspring of national confidence.

A land without forecasters would be land without future. True prophets may rush in where the cautious fear to tread, yet there is plenty of historical precedent for activating belief that it is a long corner that has no turning. The chief trouble with the prophet business is, of course, that there is no credit for saying "I prophesied that, though I never told anybody."

Heresy at the source

LAYMEN who have timidly ventured the opinion that government by sociologists is government by theorists have an outspoken partisan in Professor Sorokin, head of Harvard's sociology department. It seems there is considerable doctrinaire clay in what so publicly passes for social "science." The professor has the floor:

Sociologists, historians and the economists down in Washington are all in the same boat. We have not reached the stage where we can apply the teachings of the social sciences without doing much damage. The main problem is to increase our knowledge, not to prescribe what we are not sure of in the manner of an all-wise physician.

Our total knowledge of society at present is far from sufficient to give a "scientific prescription" as to what should be done in a given field to alleviate social, political and economic misfortune. Many theories now regarded as knowledge are only shots in the dark. We have no right to apply them on a large social scale or to urge others to do so.

Rather than any sort of ruler who is a high-brow social scientist, I would rather have a man of plain common sense from the street. Not until the social scientist is sure that he has something pragmatic and helpful does he deserve his chance.

To paraphrase, all of the people know more than any of the people.

The Washington idea

A correspondent, who evidently had been wrestling with a Federal questionnaire or receiving a personal call from Washington, or both, writes:

Whenever I think of Washington—and they won't let me forget it for long—I am reminded of the young wife who went shopping and left hubby at home to look after their two-year-old. Early in the afternoon she called him on the phone.

"Dearie," she said, "find out what Jimmie is doing and tell him he mustn't!"



Bearing, gear, bearing, gear—
Roll along another year.
While you're rolling merrily,
Watch your rolling warily—
Friction gets you bit by bit,
Rolling up big deficit!

Apparently the "wheels" of your machinery may be rolling along smoothly—or at least all right, but "all right" often turns out to be very expensive in the long roll!

Lubrication has a lot to do with it. It may be over-lubrication, or the wrong grade of oil, or wrong methods of application, or other things that shoot up costs through repairs and idle machine time—and yet the correction of any of these can be very simple! In most plants lubrication costs can be substantially reduced by the Standard Oil engineer.

There's the case, for instance, in which \$12,000 per year was saved on petroleum solvents for one plant. "That'd pay my salary!" winked the plant superintendent.



Again: Friction loss was reduced 25 h.p. . . . the additional dryers and equipment were easily taken care of by the old steam unit . . . and a Wisconsin Paper Company praised the work done by one of our Lubrication

Engineers. He had found loose bearings and other easily remedied faults on the machine.

Then, there were the five public school buildings using a cylinder oil which was getting back into the boilers. It was evident to the Standard Oil engineer that the oil was too heavy for the separator to handle. Capitol Cylinder Oil did the trick!



Copr. 1936, Standard Oil Co.

Write for the booklets below which interest you, or for any other information desired regarding petroleum products. Address Standard Oil Co. (Indiana), 910 S. Michigan Ave., Chicago, Ill. (272)

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| <input type="checkbox"/> "The Lubrication Engineer—His Value to You" | <input type="checkbox"/> METAL WORKING |
| <input type="checkbox"/> POWER | <input type="checkbox"/> "Lubrication in Grinding Operations" |
| <input type="checkbox"/> "Diesel Cylinder Lubrication" | <input type="checkbox"/> "Lubrication in Gear Cutting Operations" |

STANDARD OIL COMPANY
(Indiana)

CORRECT LUBRICATION

PRINTED IN THE PUBLIC INTEREST

NOW and again an excessive enthusiasm on the part of a manufacturer in his advertising is understandable and altogether human.

Such flights of natural zeal come under the general head of "Trade puffery," and are usually harmless and popularly discounted.

But, if a tire-maker advertises a "blowout-proof tire" plainly and without qualification, he is, in view of current motoring hazards, trespassing on grave and forbidden ground.

For the stern and simple truth is—and you ought to know it for your own protection—that today there is no such thing as a blowout-proof tire!

Look at the picture in this advertisement—it is an actual photo of one of the tire junkpiles outside our Akron factories.

In that pile is probably every kind of tire you can name, hundreds of them being the products of the more popular tire-makers.

Those tires were junked because they are no longer usable—made worthless by punctures, prolonged wear, bursts and what-not.

And in that pile you could find blown-out specimens of the product

"There is no such thing as a BLOWOUT-PROOF TIRE!"

In this junkpile you could find blown-out specimens of the tires of all popular manufacturers

SO GOODYEAR PROVIDES THIS ANSWER

of every considerable tire manufacturer in this country!

We make tires, and we believe mighty good ones—so outstandingly good that the world over *more people ride on Goodyear Tires than on any other kind.*

Our tires are as nearly "blowout-proof" as any—more so than many—but that simply means that strictly speaking they are not blowout-proof at all.

They wear long and dependably, but the time comes when like any other tire they might let go, and recognizing this we developed after hundreds of experiments *the only sure safeguard we know of against blowout dangers.*

This development is the now-famed

LifeGuard★ Tube, which, when a tire bursts, protects both car and passengers, by converting the sudden rush of escaping air into a slow leak.

If there were such a thing as a tire that could be honestly called "blowout-proof," obviously we wouldn't have spent the money and time to perfect this indispensable LifeGuard★ Tube.

But safe motoring demanded it, and, being costly to build, it is likewise somewhat costly to buy—but its mission is not to save money but to save life.

W. H. Mitchell
President

THE GOODYEAR TIRE & RUBBER COMPANY, INC., AKRON, OHIO

★Trade-mark Reg. U. S. Pat. Office



A Look for the yellow valve stem and blue cap

B LifeGuards★ take a little longer to inflate because air passes gradually from "inner tire" to outer tube through this VENT HOLE

C On this two-ply "INNER TIRE" you ride to a stop with car under control, even though casing and outer tube blow wide open

THE GREATEST NAME IN RUBBER

GOODYEAR

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

NATION'S BUSINESS

★
A MAGAZINE
FOR
BUSINESS MEN
★

A Plea for the Realities

WE PRAY for "recovery." Recover what? The business activity we once had. What is this business activity? An exchange of goods, services and labor. Trade, in simple Anglo-Saxon.

Dictators may dictate, rulers may regiment for parity's sake, politicians may exhort, but there remains to the individual one great freedom, the privilege to buy or not to buy. Above the bare necessities of a little food, a faggot fire, lies an immense domain of economic activities depending upon voluntary decision.

When we speak of billions in bank clearances, millions of carloadings, pig-iron production, kilowatt consumption, we really speak of the sum total of two individuals making a trade.

Every trade is a speculation. The motive is to improve one's well-being—to profit. Not necessarily a money profit; it may be a social improvement, education, labor-saving, time-saving, a convenience or luxury profit.

What stimulates this individual to exchange assets, to commit his resources—savings—to the hazards of the unknown future? The speculative spirit, faith in himself, and belief that general conditions will not be abnormal.

If we really want this thing "recovery" we can have it, when we are ready to face realities. The stage is set. We have had five years of hesitant buying, self-denial, jitters. This has created a potential demand for goods, services and labor that would require all our man power fully employed. We were never better equipped to meet this pent-up demand. Capital is available. Makers of goods stand ready to open the throttle. Enterprise is eager.

Why, then, does the individual hesitate to take the normal chances of trade? Consciously in some cases, subconsciously in most, he fears the effect of artificial factors which may wreck his ventures.

He fears the excessive government spending. He has only to look out his window to see shocking and fantastic wastes. He realizes that government cannot of itself create a single thin

dime, that this spending represents sacrificial savings, past, present or future. He knows that the money comes from a pool heretofore tapped for new enterprises, not unproductive overhead. He is dazed at the thought that nearly 40 cents of each dollar earned goes into the maw of politics.

He fears the value of the money he uses may be changed. He hesitates to commit himself to pay or sell in the future.

He fears more experiments in the field of trade by those whose knowledge of what motivates trade is theoretical and politic. He would have a more ideal business world—he could chart one if he could kid himself into eliminating the human factor.

He fears political competition. He sees his Government engaged in 250 kinds of business, is bewildered at its ruthlessness—and wonders.

He fears administrative law-making. Up to now he could read a law passed by Congress, understand it, and act accordingly. Today, the New Order sets up a Bureau or Commission or Authority whose regulations, slowly formulated, subject to partisan whim, carry penalties of fine and imprisonment. He is mystified by the 100,000 such regulations now in force.

These political obstructions stand in the way of America's reassuming, as President Hadley, of Yale, once defined it, its speculative spirit. The intelligent citizen instead is alarmed. He doubts if his political leaders really want to win "the war against depression," as advertised; he wonders if the strategy is not to reorganize the industrial forces, substituting for its old leaders political and academic generals who have never known the rigorous training of a West Point.

Perhaps we do not deserve a greater business activity. We do not face realities. We do all we can to discourage; we do little to hearten those who, after all, sustain the pressure of progress, those with the will and capacity to do.

Merce Thorne



IDEAS ON THE MARCH

The greatest force that American business can muster to speed recovery is the power of ideas. Your brain child of today can become a tireless business builder tomorrow, if put into action by the Mimeograph—famed everywhere as the world's standard duplicator of letters, forms, bulletins, maps, etc. But in reality it is much more than that. More because the word Mimeograph encompasses a great human service, nation-wide and backed by an organized responsibility, a responsibility that has been fifty years a-building, a trained and tested responsibility. When you buy an A. B. Dick Company product you know that you have not only the original, the best that modern science can provide, but also a constant and dependable source of supply. Yours to command is our far-flung organization—men with ideas ready to march. Write A. B. Dick Company, Chicago, or see your classified telephone directory for local address.

M I M E O G R A P H





A Business Man Looks at Government Finances

By FRED H. CLAUSEN

President, the Van Brunt Manufacturing Company

ANY person attempting to manage a business or run a household cannot expect to maintain his enterprise with recurring deficits year after year. How can the business of government operate on any different basis?

The individual may establish a line of credit based on past performance but that line fades and disappears after a record of repeated shortages is shown. When creditors and customers can detect no deep concern on the part of responsible management, then confidence gives way to uncertainty.

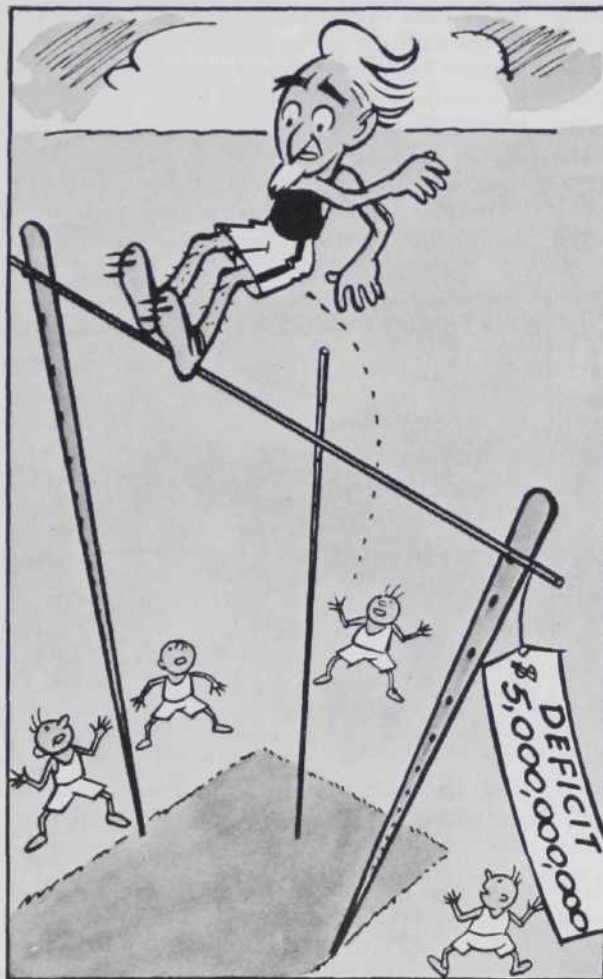
When a government meets such a situation with new commitments and greater expenditures with no program of curtailment, a condition that most business men recognize is right in front of us. It must be dealt with.

The incompleteness of the President's budget for the next fiscal year confused the minds of many who would understand. The elimination of the processing taxes and payments under the Agricultural Adjustment Act added more confusion. On top of these came the avalanche of prepayment of the veterans' bonus. All present evidence is to the effect that the outstanding characteristics of the next fiscal year will be

1. The largest revenue,
2. The largest expenditures,

3. The largest deficit in the peace time history of the country.

Revenues for the fiscal year, 1937, are estimated in the executive budget



The 1937 deficit promises to be the largest ever incurred by any government not at war

to exceed \$5,600,000,000. This is a larger amount than was collected in any of the years of prosperity prior to 1929 when the national income greatly exceeded the present amount. Were expenditures kept to the level of 1929 and the estimated revenues for 1937 realized, there would be, in the next fiscal year, a surplus of about \$1,800,000,000; or, without the processing taxes, the surplus would be more than \$1,200,000,000. With the elimination of both processing taxes and the estimated revenues accruing from recently enacted legislation such as the Social Security Act, Guffey Coal Act and the Railroad Retirement Act, the surplus would be about \$700,000,000.

Record-breaking spendings

ESTIMATED expenditures in the executive budget total approximately \$6,700,000,000. It is also officially announced that an additional amount, which it is now reported will equal about \$2,000,000,000, will be asked for recovery and relief. The expenditures thus contemplated would consequently total \$8,700,000,000, the largest volume of expenditures in American history, the World War period excepted. This amount would exceed the expenditures of 1929, the year of maximum national income, by about



Estimated government revenues for 1937 will exceed any collected in years of prosperity

\$4,900,000,000, or approximately 130 per cent.

The prepayment of the Veterans' bonus, with its extra gratuity of \$1,500,000,000, will add another \$2,000,000,000 or more to expenditures. All of these factors combined indicate a grand total of expenditures of nearly \$11,000,000,000. To this staggering amount must be added the heavy expenditures of the states and their local subdivisions, now approaching \$10,000,000,000. Those in authority should consider well whether the country can sustain such a volume of expenditures.

When allowance is made both for the extraordinarily heavy expenditures recommended by the Administration and for the other expenditures which now seem certain or highly probable, but which are not included in the executive budget, the deficit for next year will exceed \$5,000,000,000. This would be the largest deficit ever incurred by any government, our own or foreign, except in time of war.

Our largest debt

BASED on the incomplete fiscal estimates of the Executive, the national debt as of June 30, 1937, would total \$31,300,000,000. When allowance is made for the other indicated expenditures the debt at the close of the next fiscal year would exceed \$35,000,000,000. This is a larger amount than has ever been officially contemplated and exceeds by nearly \$4,000,000,000 the amount to which in 1934 it was officially stated "the Government should seek to hold the total debt."

The gross public debt of the United States (national, state and local) is now approximately \$50,000,000,000. This about equals the present total national income. Provisions for interest and retirement require, it is esti-

mated, about \$2,800,000,000 annually, and absorb 25 per cent or more of the total tax collections of all governmental units. Notwithstanding these heavy debt charges, because of present deficit financing, no reduction in the federal debt results.

Notwithstanding the substantial increases in revenues and improved economic conditions, there is no indication, either official or otherwise, when a balanced federal budget may be expected.

The executive budget message contains no promise or prediction on this point. Circumstances indicate, not an approach to a balanced budget, but an approach to greater disorder in government finances.

The constantly recurring deficits have not been financed by the safe and conservative method of drawing on the savings of the people. Approximately five out of every six dollars of borrowings since June 30, 1930, have been financed by the Government selling to banks its promises to pay and then checking on resulting deposits. This type of financing, while not producing the greatest immediate effect

if not the impossibility, of escaping the devastating consequences of uncontrolled inflation.

Since it appears that new and increased taxes may be proposed, it should be considered that under present circumstances direct taxes upon business at higher than existing rates may become to a great extent taxes on working men. Any taxes that result in reducing wages or the number of men at work will be most harmful. The portion of corporate incomes that goes to owners or creditors or to higher salary-earners is comparatively small. By far the greater part of the money received by corporate enterprise is paid out in such a way as to reach the earners of wages and of low salaries.

Taxes hit everybody

THE Government today is industry's greatest competitor for the citizen's dollar. Unless expenditures are reduced to a marked extent, a stable condition and order in the Government's finances cannot be obtained. Attempts to overcome the disorder through increasing the tax burdens rather than by lowering the excessive expenditures must inevitably hit all the people.

A federal fiscal program designed to reduce immediately the deficit through reduced expenditures with a completely balanced budget at some definite date will give the confidence necessary to aggressive business progress. The replacement of the dangers and uncertainties which attend heavily unbalanced budgets by the assurance accompanying orderly federal financing would stimulate long term business commitments such as the renewal of obsolete equipment and modernization and rehabilitation on a scale typical of American business.

Upon all classes of citizens rests the obligation of relieving the Federal Government of its excessive burden. The

Chamber of Commerce of the United States, following a policy it has pursued since the beginning of the depression, should at no time recommend new or increased federal appropriations. It should urge all business men and their organizations to set an example for others by following the same policy; any presentations favoring expenditures should be made only to executive agencies after appropriations have been made.

(Continued on page 88)



To expense figures formally announced must be added those for relief and the bonus

on public psychology, is clearly inflationary. While this method of inflation differs from the issuing of paper currency, the ultimate result of its continuance may not differ.

At the conclusion of the next fiscal year there will have been, according to present outlook, seven consecutive years of heavy budgetary deficits.

It must not be overlooked that every nation which has permitted deficits in any way comparable for such periods has found the greatest difficulty,

Washington and Your Business

By IRA E. BENNETT, for 25 years Editor, "The Washington Post"

Dear Mac: I'm not surprised that you want to know how matters stand, after so much water has passed under the bridge. Everybody agrees that some happenings in the past month will have their effect on the great quadrennial showdown, but nobody knows just how much effect.

Politics thrusts itself more and more into the economic situation. Few observers now pretend to separate economics from politics. It's not surprising that economic theory wobbles when its very existence depends upon the political outcome next fall.

Setting aside political developments for a moment, it appears that popular uneasiness over government spending and deficit making has impressed the Administration. Several moves by the President seem to have been inspired by a desire to allay uneasiness over threatened increase of debt and taxation. Call this politics if you like, but most critics concede that the moves are in the right direction, no matter what the motive.

Men in Congress tell me that anxious inquiries concerning threatened debt and tax increases have come from big and little people without regard to party. Taxpayers who see money spent on local projects that are not vitally needed seem to have concluded all at once that this unnecessary spending must be made up in taxes sooner or later—and they're worried. No partisanship in this. Taxes are nonpartisan.

Farm Subsidies

DON'T ask me why there is unanimity among politicians on the subject of subsidies to farmers. It's so, that's all. Even the fear of voter retaliation for added taxation gives

way to the determination to finance the farmer from Washington.

Everything was settled so long as the processing tax existed. Knockout of that tax has upset everything. New farm relief legislation—meaning cash subsidies to farmers—and how to raise this cash have been tough problems for both ends of Pennsylvania Avenue.

It seems that long-distance farm relief through the states aided by federal cash is too slow to meet the immediate political exigency. Some of the legislatures will not meet for another year or two. Besides, the political department of the Administration is accused of appealing to the farm vote by means of a direct subsidy. If this is a crime, it is one in which the farm federations are eager accomplices. They have pounded the Administration and Congress unmercifully, insisting upon an immediate substitute for AAA, regardless of constitutional doubts.

Yet constitutional doubts have been potent in delaying farm legislation. One reason is that lawyers in Congress have deadly rivals at home who delight in pointing out how the lawmakers voted for laws that the Supreme Court held invalid. These lawmakers are up for reelection—all House members and one-third of the Senate membership—and they are reluctant now to support doubtful legislation, even if they agree that it would be to their political advantage to appease the farm vote.

Even more objectionable to lawmakers up for reelection

is the idea of slapping on a tax, either for the bonus or for farm subsidy. In the past month this question has given the Administration many a headache—and the problem is not yet solved.

A Curb on Spending

PRESIDENT Roosevelt's keen insight admonished him to take account of public protests against "reckless spending." He directed the borrowing and lending agencies to refrain from using their authority to borrow further on government credit. He ordered the spending agencies to take in sail. How much can be lopped off from the present outgo for unemployment and relief is hard to estimate. But some savings can be made if the determination to do so is impressed upon the states.

Men in Congress tell me that the President's hauling-in orders have done much to smooth the way for a farm-subsidy tax. The reduction of spending also makes it possible to finance the first year's bonus payments out of unspent balances.

Another method of reducing expenditures was the President's action in bringing about repeal of the Bankhead Cotton Control Act, the Kerr-Smith Tobacco Act, and the Potato Control Act. These laws would have required several millions for administration. They were slated for destruction in any event. Politicians say the President's action was based upon political expediency and not upon economy grounds—but the result is a saving. Their idea is that Mr. Roosevelt foresaw that Governor Talmadge of Georgia would have a good talking-point if the Supreme Court sustained his attack upon the Bankhead Act. So, they say, the President forestalled Governor Talmadge by bringing about repeal before the Supreme Court could act.

Incidentally, according to these political sharps, Mr. Roosevelt laid up a neat little pile of credit for observing the Constitution as interpreted by the Supreme Court.

More Federal Powers?

WHETHER or not the sporadic moves by a small minority in Congress to extend federal power will develop into a formidable drive seems to depend upon the success or failure of laws already enacted, such as the Guffey Act, the Wagner Act, the Social Security Act, and others. If these laws are invalidated you may look for demands by farm and labor groups for a change in the Constitution. Two leaders—John L. Lewis, of the United Mine Workers, and Edward A. O'Neal, of the American Farm Bureau Federation—have already announced their determination to press for enlarged federal powers.

Lawyers in Congress tell me that the resolutions looking to curbing the Supreme Court will go into the wastebasket, for two reasons—first, public sentiment opposes interference with the courts; and second, Congress has no authority to curtail the judicial power. These lawyers cite this language in the Constitution: "The judicial power of the United States shall be vested in one Supreme Court," etc. They say that Congress can change the number of judges and define the jurisdiction of in-

ferior courts, but cannot take away the judicial power vested in the courts. Their conclusion is that the legislative and executive power of the United States cannot be extended by any act of Congress that seems to whittle down the judicial power; that only an amendment to the Constitution can change the balance of powers.

One shrewd lawyer said, "Don't forget that a law of Congress aimed at curtailing the judicial power would go to the Supreme Court for review, like any other law. You can imagine whether it would be held constitutional or not."

Politics

POLITICIANS have been busy analyzing the situation resulting from Al Smith's revelation of the deep split in Democratic ranks. While opinions differ as to the extent of damage wrought by Al's attack upon the New Deal, there is agreement that his speech reveals a dangerous cleavage. Much curiosity over the probable course of Tammany Hall, which may determine whether New York State shall remain in the Roosevelt column or walk out of it.

President Roosevelt's recent fiscal moves are interpreted as counter-moves to take away the damaging effects of Al Smith's attack. Another stroke by the President is his forthcoming political swing through the South, to Arkansas and Texas, and possibly to Louisiana.

The remarkable action of the United Mine Workers in acclaiming Mr. Roosevelt and chipping in financially to forward his campaign has raised the question whether Mr. Roosevelt would not rather have his labor friends refrain from putting him in the attitude of being a "labor candidate." Some observers suggest that organized labor does its cause more harm than good when it tries to consolidate in politics. You'll notice that the American Federation avoids any action resembling an attempt to create a labor party.

Senator Borah's forthright candidacy insures lively developments in the G. O. P. He stays out of New York and Pennsylvania, but seeks a showdown in Ohio. Politicians suggest that Governor Landon faces a squeeze play, in which he must decide soon to join the scramble for delegates or run the risk of making a poor showing in the convention.

One line of political reasoning is this:

The Democratic party is seriously split, but Roosevelt still commands it and will be renominated. The G. O. P. may undergo painful contortions in finding a nominee and a platform; but the party is not split. If it should succeed in placing a compromise candidate on a platform acceptable to country-wide sentiment against the New Deal, many politicians seem to think the campaign of 1936 will give voters a chance to register the nation's will with finality on the question of extending or limiting federal power over business, manufacturing and agriculture.

The Crisis in Labor

ORGANIZED labor has reached a crisis. The industrial union element has not actually seceded from the American Federation, but is on the way out. Both wings would be weakened if the quarrel should result in setting up two national labor organizations. No compromise is in sight. By committing itself to an individual candidate for the 1936 election, the United Mine Workers has widened the breach with the Federation.

No need to comment upon the personal side of labor's controversies. If both William Green and John L. Lewis were eliminated the fight would go on, according to partisans of both sides.

Labor Department conciliators are worried over the shipping situation, particularly on the Pacific Coast.

Harry Bridges, alien organizer of the Maritime Federation, seems to have gained a powerful position in which he can dictate war or peace between ship operators on the one side and sailors, longshoremen, radio operators and other groups on the other side. Shipowners say Bridges is a Communist whose real aim is industrial war and not improvement in labor conditions.

Consolidation of waterfront unions into one federation under Bridges' direction is taken as a preliminary to determined strikes along the Pacific Coast and the Gulf, gradually extending to Atlantic Coast ports. Harry Schmidt, head of the longshoremen and a lieutenant of Bridges, is reported to have said if the Government should interfere with the "peace plans" of the Maritime Federation there will be civil war on the waterfront and aboard ships. He is quoted as follows: "In San Francisco more than 1,000 men are now on strike, ready to help the marine workers in whatever may develop. So let the Government send in their G-men and learn who the aliens are."

The New Norris Bill

WHILE utility people waited for the Supreme Court action on TVA, they discussed Senator Norris' bill to create a Mississippi Valley Authority. This bill changes the TVA pattern slightly—authority to construct transmission "lines" has been changed to transmission "systems" (this is necessary because of the 2,000 mile width and 1,500 mile depth of the Mississippi drainage); since water power is scarce in this section, MVA is authorized to build fuel generating plants in addition to hydro plants.

Since MVA could not administer so vast an area as the Mississippi drainage without difficulty, the Senator cedes the whole Ohio River drainage to TVA.

Should this bill become law, practically the whole United States would have public ownership authorities of one kind or another.

TVA and Navigation

ANOTHER interesting development in this line is TVA's recent interest in navigation. The goal is a nine-foot channel from the Ohio to Knoxville, and nine new dams were needed to complete the project. They include the Wheeler dam, started some time ago, Pickwick Landing Dam, Gunterville and Chickanauga Dams, total cost \$135,000,000. Norris Dam, now nearly done, will cost \$35,000,000. Four more dams costing \$300,000,000 will complete the project.

Some critics see this navigation project as a bit of strategy. TVA's right to improve navigation isn't challenged. If the navigation project happens to necessitate dams where power can be created, is that TVA's fault?

Convention Fireworks

SEVERAL weeks ago it appeared that managers of the Democratic national convention at Philadelphia might find difficulty in stretching out the proceedings, seeing that nominating and platform plans would be cut and dried. Not so much worry on that score now!

With nobody managing the Cleveland convention of the G. O. P., "anything may happen."

Don't abandon your plans to attend the conventions—you may have the time of your life.

New SEC Rules

THE SEC has promulgated rules concerning activities of persons employed to represent holding companies and their subsidiaries before Congress, the Federal Power Commission and the Security Exchange Commission. Such

persons must file a statement with the SEC "within ten days after the close of the month in which they present, advocate or oppose any matter affecting any registered holding company or subsidiary." The Commission points out that this section of the Act and its regulations "impose no limitations." They merely make the recording of activities with the Commission necessary. Whether a requirement that all of one's activities be put down in black and white and recorded with a government agency is in fact a restriction is another matter.

Watch the Robinson Bill

OUT of the muddle of bills to regulate trade and commerce, to make new NRA's to control wages and prices, one stands out for the moment, and that's the Robinson version of the Patman Bill. The Senate Committee on the Judiciary reported it out early in February. Nominally it amends the Clayton Act. Part of its title explains its purpose: "Making it unlawful to discriminate in price or terms of sale between purchasers of commodities of like grade and quality." Too long to go into detail, but you and your business friends would do well to ask your trade associations about it.

Social Security

GENERAL opinion that the Social Security Act must be revamped is reflected by the decision of the directors of the United States Chamber of Commerce, at a recent meeting. The Chamber does not oppose social security legislation, but points out that the financial set-up of the present act is impractical if not unworkable. Social workers agree with industrial and labor spokesmen that the law should be revised.

Industrial Coordination

MAJOR BERRY, industrial coordinator extraordinary, pegs away at the plan to bring about cooperation between industry-management and labor. His efforts meet new handicaps because of the AFL-UMW split. Seven committees began deliberations February 10 to work out reports to be submitted to the Council for Industrial Progress. Ambitious tackling of such vexed subjects as national industrial policy, government competition with business, maximum work week, fair trade practices, antitrust laws, etc. Conditions forbid hope of substantial progress through Major Berry's council which, after all, does not fully represent either industry or labor.

RFC as a Taxpayer

MUCH to his surprise, Chairman Jesse Jones of RFC learned from the Supreme Court that his concern was liable for taxes to states, as a holder of preferred stock of banks. He thought RFC was immune, as "an instrumentality of government," but the Court holds that Uncle Sam is simply a citizen when he invests in bank stock.

The RFC tax bill may run up pretty high, seeing that its preferred stock investment is more than \$800,000,000. But it can stand the gaff. It borrows money cheaply and tacks on enough interest to make a profit. Even after payment of taxes, RFC should be able to wind up without having cost taxpayers a cent.

Uncle Sam, Landlord

JESSE JONES manages to recoup on practically all money loaned. Senator Wagner may not be so fortunate in his plan to have Uncle Sam guarantee home mortgages up to 90 per cent of the valuation. Wagner predicts early passage of his bill to distribute federal money to local

agencies, which in turn would lend on mortgage to small would-be home owners. The Government would then insure the mortgages, making them theoretically a safe investment. Sounds good, but sluggish movement of government-insured home mortgages on 80 per cent valuation gives warning of possible failure of the scheme. Investors seem to shy away from New Deal agencies, even with "government guarantee."

A Guffey Oil Bill?

OIL men frankly admit their fear of drastic federal control. As one way of counteracting full control, Representative Disney of Oklahoma offers a bill increasing the excise tax on imported petroleum and its products, removing the exemption of tax on supplies for vessels, and limiting total imports of oil.

This bill suits coal operators, who point to competition from petroleum as one of the "evils" that must be remedied. If no action is taken to shut out foreign oil, the Guffeyites plan to put through a control law for petroleum—and perhaps natural gas—similar to the Guffey Coal Act. Federal Trade Commission reports favor federal control of natural gas. National Resources Board recommends control of all natural resources.

Railroad Outlook

RAILROADS made remarkable increases of earned net operating income during the last four months of 1935—more than they made in the preceding eight months. Prospects for increased spending for equipment and more workers are good. Railroads are far behind in their buying of new freight and passenger cars, locomotives, and rails. Better buying will help many industries. Offsetting these prospects is the increase of taxation, including pensions if the rail pension act should be held valid.

Railroad mileage has been cut down to 242,000. At the peak it was 254,000. Eighty-nine companies, operating 72,225 miles, are in receivership. RFC is bolstering up many companies. It is lending at four per cent. Better earnings lately give the first real encouragement to railroads since 1930.

General Legislation

MARKED reluctance to enact general legislation at this session. Members fear voters' opposition to any new measures, however desirable they may be. Administration seems disposed to "let well enough alone" in view of the oncoming campaign. It's true that various New Deal agencies are cooking up fresh schemes for control of this and that, but broadly speaking you can conclude that the menu for American consumption in 1936 has been made up.

Don't Be Discouraged

DON'T be disturbed by reports that January business was bad. So it was if you compare it with December, '35. Weather helped to increase the inevitable drop from the holiday month. February, when the final figures are added up, is likely to make a pretty good showing. Compare with '32 and we're in great shape. Compare with '31 and we're at least as well off. Most important thing is the lessening of unemployment. The United States Chamber—and they're a cautious authority—says: "By last September there had been reemployment in private enterprise of at least 5,000,000. In January this figure had risen by another half million."

Notice that agricultural prices showed little if any drop after the AAA decision. One reason is that the surpluses are pretty well used up. So you will be hearing more of the "ever-normal granary" idea.

Is It Slum



A few of the houses in the Cedar-Central area which were torn down to make room for one of the Government's projects

Artists drawing of a portion of the Outhwaite housing project. The area will have a recreation and social center

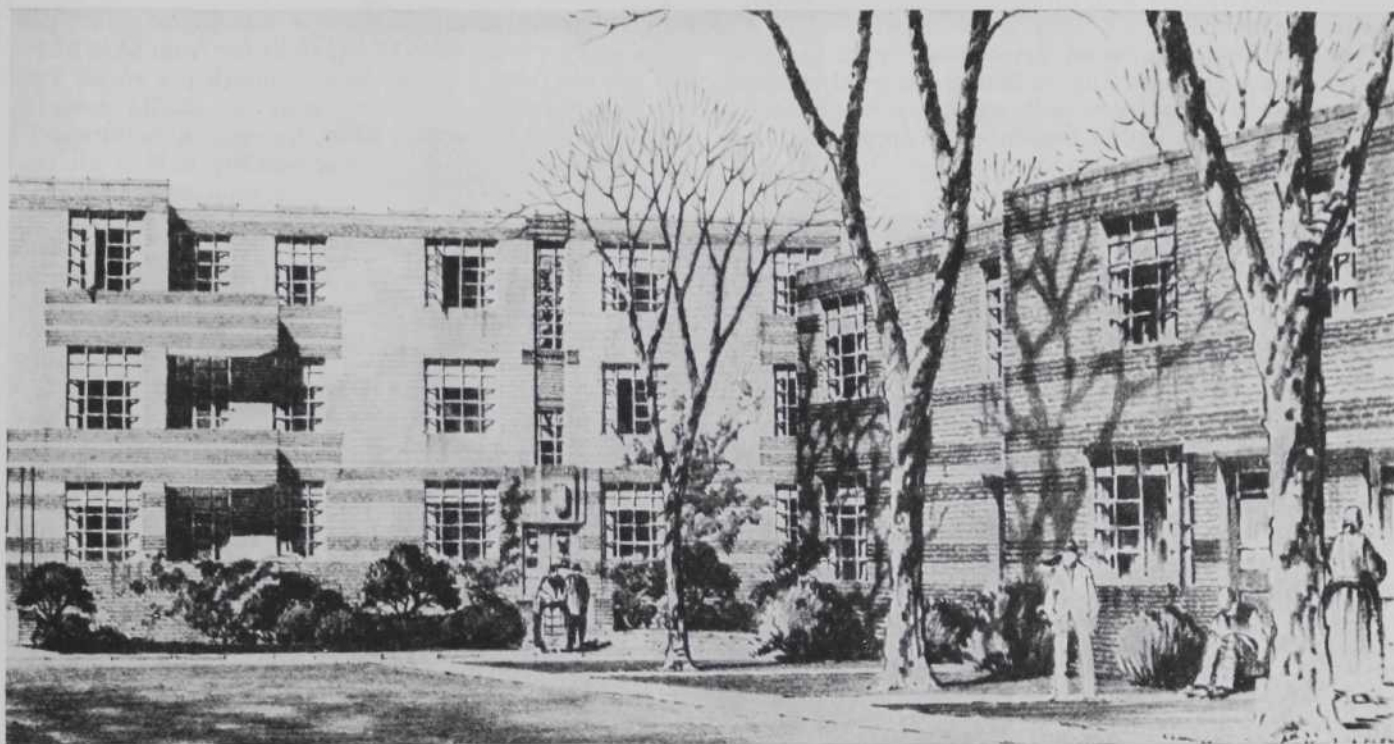


The West Side development lies on a hillside overlooking the harbor. Landscaping has an important place in the arrangement



Clearance—or What?

By FREDERICK A. VAN FLEET



A STUDY of three government housing projects, undertaken with the sole aim of finding out what the taxpayers are getting for the money the Government is using in this activity

COMMITMENTS for \$130,888,000 of public funds for slum clearance and low cost housing projects have been made so far, according to recent bulletins of the Public Works Administration, and with the last commitments which go to make up this total it was announced that there would be no more in the present program.

That seems to fix the size of the Government's stake in this particular form of activity. It is pertinent, therefore, to attempt an analysis of the effort, in the hope of reaching some conclusion as to what the taxpayers are buying for this sum.

Broadly speaking, the liberal public spending of the past few years has been aimed at one of three principal objectives—to provide employment, energize business or improve social conditions. Obviously the interesting question about slum clearance or low cost housing, whichever it may be called, is which of these objectives is the goal. We are entitled to know, too, how much

chance there is that the objective will be reached and what the situation will be if it is not.

Offhand almost anyone would say that the principal objective of slum clearance would be social betterment. We must recognize, however, that slum clearance, to accomplish that goal of social betterment, must actually provide better habitation for the same income group which lived in the eradicated slum. A housing project which scatters the former inhabitants of a slum and replaces their former dwellings with housing for a higher income group is not slum clearance at all. It does not eradicate a slum, it merely moves it to some other place.

Accurate analysis needed

ACCURATE and honest analysis of these slum clearance projects, therefore, requires that all the factors be considered. We must see what sort of buildings were razed, what sort of people lived in them and how they lived, what rents they paid, what conveniences they got along with—or without—and then see what sort of accommodations are being provided for them and at what cost. We must know all these things if we are to form any accurate judgment as to whether the new projects are going to accomplish their commendable objective and be something we can all take pride in, or whether they are going to be a terrible headache.

Three projects which are well advanced in Cleveland offer the most favorable opportunity for study. Here the

information concerning the previous status of the properties and the people involved is available. This is due to the excellent work of Real Property Inventory of Metropolitan Cleveland, an organization of which Raymond T. Cragin is chairman and Howard Whipple Green director. When the Federal Emergency Relief Administration in 1934 finished its real property inventory in 64 cities and prepared to store the data away because there was no more money to spend on it, the Cleveland organization asked for and obtained the cards for the Cleveland district and employed local relief workers to assemble the data by census districts.

As a result, in Cleveland, as in no other city where the inventory was taken, accurate and detailed information is available about living conditions in each census tract of comparatively few square blocks. Reliable comparisons can be made.

Cleveland has been called the laboratory of the low cost housing movement. The designation is good at least in the sense that it is the one city where low cost housing projects can be put in the test tube of comparison and their formula written down without guess work. Analysis of the three Cleveland projects would doubtless apply with reasonable accuracy to the whole housing program, because the projects represent not much less than ten per cent of the whole sum being spent.

Oldest, best known and farthest advanced of the three is known as Cedar-Central, from its principal boundary streets. It happens that the census tract in which the project is located extends three blocks north of the project to Euclid avenue. Residence units are comparatively few in that part of the tract north of the housing project, but what there are would be of somewhat higher type than those in the area which was cleared for the new housing.

Elements of a slum

BEARING that in mind, let us see what sort of a district it was:

Of 432 family units in the whole tract, 29 were reported to be in good condition; 169 needed minor repairs, 149 needed major repairs and 85 were pronounced unfit for human occupancy. Thirty-five of these family units had no indoor toilet facilities, 139 had neither tub nor shower bath, 63 had no gas or electric light, 114 had no gas for cooking and 338, or more than 75 per cent, had to depend on stoves for heat.

Inasmuch as these figures

are for the whole census tract and admittedly the worst part of it was taken for the housing project it will probably be conceded offhand that a real slum existed. Even then, 57 families had one automobile each and three had two cars.

Apartment rentals are a good index to what people paid to live in that sort of a neighborhood. They would undoubtedly represent the highest rents paid. Of the 66 rental apartments in the whole census tract, ten were of three rooms, 16 of four rooms and 24 of five rooms. These three sizes, which are the three making practically all of the new project, accounted for 50 out of the 66 apartments in the tract.

Paid low rents per room

IN THIS group, 15 rented for less than \$3 per month per room; ten for from \$3 to \$3.99; eight for from \$4 to \$4.99 and six for from \$5 to \$5.99 per month per room. The balance, partly apartments closer to Euclid avenue, either brought more than \$6 or the rents were unreported. Exactly half of all the rental apartments in the district brought less than \$5 per month per room. The houses, whose condition is indicated by figures given previously, cannot have brought more and probably brought less.

These figures draw a fairly good picture of the economic status of the families, largely Negro, who were moved out to make way for the new project. They were paying a possible average of \$5 per room per month to live in ramshackle buildings, heated with stoves for which much of the fuel was picked up wherever it could be found and going without practically every necessity for decent living. What is being provided for them?

This particular development, whose buildings are now rising above ground, will include 654 family units, 2,312 rooms in all, divided into eight two-room apartments, 354 of three rooms, 226 of four rooms and 66 of five rooms. There will be 19 residence buildings of concrete and brick in the group, averaging about 35 families to the building. There will also be two store buildings housing nine stores and two garage buildings containing 80 private garages.

Every apartment will have steam heat and electric lights, gas for cooking, hot water, garbage incinerators, separate unit refrigeration to be used (and paid for) at the option of

(Continued on page 70)



Comptroller General McCarl

SINCE Mr. Van Fleet's article was written, Comptroller General McCarl has ruled that the entire cost of slum-clearance projects must be taken into account in fixing rents—not just the loans, exclusive of the 30 and 45 per cent grants made by PWA.

At the time it was stated that PWA had figured its scale of rents on ten projects launched under the 1933 program on the basis of cost, exclusive of the federal grants. PWA officials pointed out that, under the Comptroller's ruling, rents would have to be increased 30 per cent over previously planned figures.

PWA Administrator Harold L. Ickes implied that new legislation would be sought so that scheduled low rentals might be charged.

John Smith's Saturday

By RONALD P. FOXCROFT



There whirled into the office one stenographer-bookkeeper, with fur coat, gay scarf, red nails and too much lipstick

THE SMITH family sat down to breakfast together at 7:15. John Smith served the bacon and eggs. Anna Smith poured the coffee and cocoa. Bob Smith tackled his grapefruit in methodical silence. He would seldom say a word in the morning until his hunger was half satisfied. Claribel Smith chattered and giggled between mouthfuls of toast. Anna had always rebelled at her own prosaic name; and when her daughter was born she insisted on giving her a name out of a book.

"Mother, we had more fun at Irene's party last night!" Most of Claribel's conversation was a series of exclamations. "Irene had a new dress. Red! Can you feature red on Irene? And she looked perfectly ducky in it! I was never so surprised! And the refreshments she served were perfectly ducky! And Irene's mother is——"

Claribel paused for a swallow of cocoa.

"Perfectly ducky," offered John

Smith, his face entirely sober.

Claribel, seeing the twinkle in his eye, made a little face at her father.

"Well, she is! She's an absolute peach! Know what she did last night? She put on a dress she used to wear twenty years ago! And was it funny? We girls all just shrieked!"

"So that's what I heard," Bob remarked. Irene's home was at the far end of town. Bob had spent the evening studying in his room.

Claribel looked at her brother in mock surprise.

"Did you hear that, daddy? Bob almost made a joke!"

Claribel, at 14, was slender, merry, and full of activity. Bob, four years older, was slow and methodical and dependable. He was left guard on the high school football team; and his classmates had instinctively elected him treasurer all four years. These two would take numberless digs at each other, and then stand together against all comers.

A MEMBER of the least known but most powerful "economic autocracy" in the world goes about his daily tasks. This isn't a dramatic story and there is nothing heroic about its leading character—or is there?

"How did you make out with those problems, son?"

"Got all but one, finally. Believe I found the method of figuring that, but the answer doesn't come out right."

"What was the question?"

"How many pounds of water in a cylindrical tank six feet wide and eight feet high?"

"Maybe the tank wasn't quite full," Claribel remarked. Her face was a model of innocence.

Bob surveyed his sister for a minute. "Honest to goodness, mom, why did you ever bother to raise her?"

"Save your figures?" John asked.

Bob fished them out of his pocket and passed them to his father. John looked them through rapidly, then indicated a place with his finger.

"Better check over that multiplication."

Family respect

BOB chewed a doughnut and checked his figures while the rest kept silent. Once he let out a grunt. He penciled in a correction or two. "That makes it. Thanks, dad." An outsider might not have heard the affection and respect behind his words.

John got his hat, overcoat, and rubbers. Returning through the dining room, he bent over and kissed his wife's ear. "Bye, sweetheart. Bye, youngsters. See you all at supper."

"Oh, daddy, aren't you going to be home for dinner?"

"Not today, honey. Quarterly board meeting in the city." And John swung out the dining room door to the

garage. Bob looked up at his mother. "Got to copy a couple of these problems before Monday, and I may as well do it while they're fresh in my mind. Macdonald's such a crank for 'legibility and neatness.' Excuse me, mother?"

Bob clumped up the stairs, whistling an Amherst song.

Mother and daughter were left at the table. Anna sipped her coffee. Claribel toyed with a strip of bacon, apparently reflecting on something important.

"Mother, how old is father?"

"Forty-seven."

"Then he must have been 25 when you got married."

"Yes."

"Did—did he look then the way he does now?"

Anna tried to conceal her amusement. "Not exactly. He had a lot more hair, and his waist line was quite a bit different."

"I suppose so. He's like a lot of other fathers around here—those in our bunch, I mean. I don't think I could bear to have a bald-headed husband."

Anna started. It was hard to realize that her little daughter was growing up. "I used to feel the same way. And now see the terrible pickle I'm in!"

Claribel squealed. "Terrible pickle! Have you and daddy always been crazy about each other this way? Because he is crazy about you."

"I've never been inclined to exchange him for any other husband I've seen in Dalton."

"Um-m-m-m. Some girls do draw such terrible sticks! If—if you had it to do over again,

mother, would you pick out one that looks like daddy, or someone like Clark Gable?"

"I knew you had been going to the movies too much."

"Well, would you?"

"Gracious, how can I tell? Besides, how many girls would have the chance to marry a man with Clark Gable's looks?"

A girl plans her future

"THAT'S just the trouble!" This was a wail.

"Goodness, here you are, talking as if you were grown up!"

"I am, almost. I'll be 15 in two weeks. A woman has got to begin planning early, or she won't have anything but a bunch of sticks to pick from."

"I do believe you're serious!"

"Of course. I'm going to keep my eye on Bob's crowd—and not a Clark Gable in the bunch, darn it! And bye and bye I'll grab me the best one—even if he's sure to get bald and fat, like daddy. In about six years, I think."

"Lamb, lamb!—You had better go tidy your room, since you've finished your breakfast!"

"Yes, mother." And she was gone.

Anna was between laughter and tears. This would be something to tell John when they went to bed.

In the meantime, John had backed his car out of the garage to start for his place of business and his daily battle with time. The family had two cars. In alternate years he bought a new one for his wife. After she had run it two seasons it became his car, and in the back seat and the tool box he accumulated a wonderful collection of roofing samples, catalogues, calendars and assorted junk.

At 7:50 he entered the office of his lumber yard and small woodworking plant. In a few minutes the wheels would begin to hum. Ten men would be at work, making window frames. His foreman, fifteen years older than John himself, came in.

"Mornin', Jim. All set?"

"Uh, huh. No bad luck, and we can finish that order by Tuesday night. Day ahead of contract."

"Good enough."

"What'll be next on the docket? That crating material for the Spencer Company?"

"Yup."

"We've got only two days' supply of logs in the yard for that."

John nodded. "Lot more ready in the country, where I got these. Cut at the same time. I planned to hire a truck for it today."

"Got nothing much to do this afternoon. I'll look the tools over, just in case."

"You don't need to. I'd planned to do that myself, early this afternoon."

Some of the good-will jobs

"YOU can't. Remember that funeral."

"Oh, Lord. I'd forgotten it!—Well, if you'd just as soon look over the tools this afternoon——"

"Sure. And the undertaker phoned just before you came. They want you for bearer. I said you'd act; you always did."

"Damn! Well, of course—— Pretty late to ask that, seeing I don't remember the man too well."

"Old Grote and your father was friends, I knew; and he hadn't lived here for 25 years, about. Not many left they felt like calling on. The undertaker said he was asking you as a substitute for Sam Horton. Sam got a crick in his back last night."

"Tough on Sam. Glad to take his place." He looked down at his clothes; he had dressed in the morning to attend that board meeting. "I won't have to change. I can make it back in time."

"Back?"

"Got to go to the city for that board meeting."

"That board picks out the damnedest times to meet!"

"Ain't that the truth! But Saturdays accommodate the majority—especially that big-shot doctor who



If you took away about 50 men such as these, the town would be a rudderless ship

lives at the other end of the state."

"Well, we're all set for today."

"Okay. I'll attend to these letters, and get a truckman to haul in those logs the middle of next week. Then I'll be on my way. See you Monday. Where in Hades is that girl? Late again? If she doesn't mend her ways, I'll paddle her."

As the wheels in the mill began to hum, there whirled into the office one stenographer-bookkeeper, complete, with fur coat, gay scarf, red nails and cheeks, and too much lipstick.

"Just made it!" Dorothy exclaimed.

"Without your breakfast?"

"Coffee."

"You can't work all morning on nothing but coffee."

"Watch me."

"Little idiot! Get your pencil."

He dictated at top speed for 20 minutes. His yard man then stuck his head in the door to report, "Boss, we're getting low on shingles."

John made a quick trip through the yard, taking a rough inventory of his stock of shingles with a practiced eye. Back in his office he dictated an order for more. "Send that by wire, Dorothy, and keep a copy, and don't make any mistakes in it, or I'll wring your neck." And he was gone.

In his car again he mentally reviewed the truckers whom he might get to haul those logs in. Only three had trucks equipped for the work. George Herman had hauled the last batch, and the Dalton Trucking Company the one before. Both were satisfactory. Then there was Morton Rowan, a young chap just now working his head off to get his truck paid for.

"Time I gave that young fellow a lift," John muttered to himself. He ran around to Rowan's, found him gone for the day, and left word for him to phone at supper time.

From there John went to the post office. He opened his lock box, pocketed the first-class letters and threw the rest away without looking at them. At the meat market he ordered some bacon, and beef for a roast. It was then nine o'clock. He had an hour to get to his board meeting in the city, 30 miles away, the last three through traffic.

As he drove a thousand matters drifted into and out of his mind.

If he hired Rowan to do that truck-

ing, he would have to make sure that one load of logs at least was delivered Tuesday. . . . Nearly time to have the adding machine and typewriter in his office cleaned. . . . And Bob and Claribel should go in the next couple of weeks to get their teeth looked over. . . . When did he have the oil changed last in Anna's car? . . . He'd have another go at the Spencer Company, to see if he couldn't build the crates for them, not just supply the materials cut to specifications; it would mean a day's work for four of his men every month—maybe six or seven men. Just what was the amount of that

family connection on the board. He had declared that he had never been in the institution, and didn't know anything about medicine or psychology or pedagogy. And the governor had blandly said that he ought not to decline the responsibility on that account. They had technicians of various sorts on the faculty, and a group of specialists on the board; they needed in addition two or three people who could look after

the condition of the physical plant—lighting, ventilation, heat, insurance.

Two other men—Conway, vice president of an electrical supply house, and Tarrant, retired owner of a department store—were the other lay members of the board of seven. These three met at the institution an hour before each quarterly meeting and went through the building.

At 11 the board began its meeting. Here John felt small and baffled. The technical jargon of the doctors and teachers was still past his comprehension. He sat through nearly an hour of it. Toward the end of the meeting Tarrant reported for the building committee, and their recommendations were accepted without debate.

The board meeting adjourned at 12, and the members joined the faculty and its 150 pupils for dinner in the school dining room.

John wondered why the housekeeper served mutton broth again; they had had it last time. Some of the china was cracked; and probably the board was being served on the best dishes. He must remember, next time, to have the committee look over the china carefully.

At last it was over. At 1:15 he headed for home. Thoughts of these unfortunates behind him trailed along with him, as always.

Tough, to be so handicapped. The state was doing all it could. The faculty seemed to be genuinely devoted to its tasks. And John kept thinking, too—Did the teachers and board members ever consider it?—how many normal people, relatives, friends, and subsequent employers and fellow employees would for years be put to nervous strains and awkward shifts in making adjustments to these handicapped boys and girls. John was convinced that people on the whole were of good will, and actually would try to make it possible for these children to lead somewhere near normal and happy and useful lives. He thought of Bob and Claribel. What if one of them had been so afflicted? A shiver ran up his back.

At 2:15 he drove up to the Upshaw



"What's in the packages?" Claribel asked, taking them. "Oranges in this one."

note he would have to meet at the bank in two weeks? If that Franklin Construction Company hadn't gone bankrupt just after they'd got in that car of window frames from him—darn 'em, anyway!—he could turn around a lot easier. The bank had been decent enough; asked for small monthly reductions. . . . He'd cut it down two-thirds in six months, and the bank wasn't worrying about it any longer. Did he have any little bills outstanding? He reviewed his position: a little at the grocery, and \$30 at the garage, and maybe \$20 at the meat market, and, come to think of it, the new glasses that Anna had just been forced to get. . . . These trousers were getting tight around the waist; a man noticed it if he had to sit still long in a car.

A layman on the board

HE pulled into the grounds of the State School for Deaf Mutes in plenty of time for his ten o'clock appointment.

He had inherited his position on that board, so to speak, from his uncle. He had tried to get out of it; but his uncle had been one of the first board, and the governor had said that they wanted to keep some one in the

Funeral Home. From these carefully decorous rooms his father's old friend, Thomas Grote, was to be buried. John noted the other bearers; he had served with every one of them in a similar capacity before. Some men, he thought wryly, are just the sort to be picked out as bearers; maybe because they were moderately foot-free, maybe just because they were too good-natured to decline to waste their time.

How little the average man like Grote meant in the scheme of things—if there really was a Scheme of Things.

How quickly a man is forgotten! That being so, wasn't a funeral a queer kind of farce? Would it make any difference, really, if these 50 attendants at this service had firmly declined to have any part in it?

And suppose they had wanted to bury Grote in the metropolis where he had died, from the home of his aging son? Did Thomas Grote have any intimates there whom the son might have called on to serve as bearers for his father?

John concluded that small towns were kinder in this matter. Men would lay off from work to act as bearers who had only a passing acquaintance with the deceased. Civilized thing to do. No man could know whether he would have six intimate friends at his own time to serve for him.

The clergyman was praying. John closed his eyes and ducked his head.

The prayer was over. With silent decorum the body of Thomas Grote was taken to the cemetery for the "earth to earth." The bearers were taken back to the funeral parlors. With small thanks from anybody, they dashed away to snatch up the skeins of their own lives. John grumbled to himself, "City fellows are always complaining about the rush of city life. If they can beat my schedule for today—"

At 3:55 John reentered his office. Jim had heard his car enter the yard. He came out of the shop, locked it, and walked into the office.

"Back early."

"Yup. Short and formal. Way such things ought to be."

"Got to thinking about old Grote after you left. Just happened to remember he served a term once on the school board here. Must have been about the time you was a kid in first grade."

Suddenly John felt kind-

lier toward the man. Grote, too, must have been a member of the Ancient Order of Men Who Take the Jobs That Nobody Wants.

"One term, I guess, was all," Jim went on. "Grote never had a hankering for public office. Wasn't what you might call a leading citizen. Just a run-of-the-mine man. Well, we're all set for the next job of work. Anything more for tonight?"

"No. And thanks for looking it over. Everything go all right this morning?"

"Smooth as silk. Good night." And Jim started home. His job was done and off his mind until Monday. Jim didn't have to fight time, except occasionally during regular working hours.

Details and finance

JOHN read and signed the letters Dorothy had left him. He read the letters he had been carrying in his pocket since morning, and made some memoranda about them. He looked at his check book. There was money enough for next Tuesday's pay roll, and the next one also, and for that order of shingles, and the logs that would come in next week. If collections kept up reasonably, he could reduce that note at the bank and keep up his current expenses. He began to think of past due accounts. There

were several; if he could collect them, he could knock that bank note into ancient history. So he got out his ledger, and from it made a list of names to whom he must write special letters Monday.

By that time it was five o'clock. He suddenly recalled that he had not had Anna's car serviced. He drove home through a biting wind which had just arisen. He did not go into the house, but waved to his wife through the window. Leaving his own car, he took his wife's down to the service station.

"Hi, Louis, can you have a man wash my wife's car before supper? She may want it tomorrow."

"Sure." Louis motioned to a man to go to work on it. "Won't take long. Want to wait? Come into the office."

Louis was the sort of man who can keep his business moving without seeming to be in a hurry. The two friends sat down in a little back office. Louis told a new version of the one about the fan dancer who lost her fan, and John told one about the two colored girls who discovered they were married to the same man.

"Ain't it pretty near time you demoted your wife's car and wished your old rattletrap off on some unsuspecting cuss, and let me sell you a new model for Anna?"

"Save your breath till Spring." There was finality in John's tone.

"Obstinate old devil, ain't you?"

Say, come to think, I've just bought a new air conditioning jigger to install in the repair shop back there. Guess I'll have to suspend it from some roof members. Have to put a sort of platform up there for it, I guess. Got a man in your shop with brains enough to build it?"

"Got a dozen. Let's have the over-all dimensions of your new plaything, and the weight, and we'll go take a look-see."

Louis produced the catalog from which John learned the specifications of the air conditioning unit. Back in the shop he found the place where it should logically be suspended. The roof members were strong enough to carry the weight without reinforcing. John scribbled the pertinent figures on the back of an old envelope.

"Be a little trick, Louis, to get the darned thing up there. We'll take care of the whole job for you if you'd like us to. Cost you a few bucks."

(Continued on page 84)

Coming in April

★ ★ ★

An Englishman Looks at the New Deal

By Sir Ernest Benn

A MAN with a world wide reputation as a student of economic and political activities appraises recent experiments in the United States in the light of results in his own country where almost identical panaceas have been tried in the course of the past 25 years.

Write to Your Congressman

By Paul T. Cherington

THE weakest spot in our present system of government lies in the insulation between the citizens and their representatives in Congress. This insulation converts what ought to be a democracy into something quite different.

Can Your Business Afford Research?

By Mark H. Wodlinger

AN authority in the field suggests a method by which the small concern as well as the large may keep abreast of new developments in its own line and threats from unexpected rivals.

It Can Be Done

By O. K. ARMSTRONG

Member, Missouri House of Representatives



A RIGHT system of relief should begin with the duty of the individual to help his needy neighbor, with the community's task of taking care of the neighborless, with the state's job of helping the communities and, in last resort only, with the Federal Government aiding the states.

The United States Chamber of Commerce, more than four years ago, declared that "needed relief should be provided through private contributions supplemented by state and local governments and without any federal appropriation for such purpose."

Last month it restated its position by answering in the affirmative this question:

Should emergency expenditures necessary for the relief of the destitute unemployed be provided by and under the control of the states of their residence, with reimbursable advances from the federal Government only on application of those states or municipalities which are unable to obtain the needed funds for that purpose?

"But," asks the skeptic, "are the states—and incidentally the communities—capable of so handling their affairs that they can take care of their own needy?"

The states still function

THE answer to that is not an unqualified "yes." It is true, however, that, since the depression began, many states have housecleaned their finances.

Most, perhaps all, of the New England states come into this category. Toward the South, Virginia and North Carolina, have straightened out their affairs. So, too, have Delaware, Indiana, Maryland, Wisconsin and Utah.

The list isn't complete. It leaves out two states that have cut their costs, and actually lowered their taxes. They are neighbors, Kansas

NOBODY loves a comptroller, said Bruce Barton. History records no instance, he asserted, of great masses of men and women laying down their lives for an auditor. Deserved as the cynicism well may be, what has been done to improve public finance in Kansas and Nebraska argues not only that the citizen is not indifferent to the cost of his government; but more, that he is actively responsive to the practice of public economy at no sacrifice of quality or adequacy of administration.

— The Editor

and Nebraska. They've tightened up their belts and balanced their budgets.

And they haven't done it by hocus-focus, amazing tricks of tax experts, banking, bookkeeping or even statesmanship.

You've heard a lot about Kansas and the sound condition of her budget and treasury. Sometimes the glowing accounts picture the accomplishment as an eighth wonder of the world. To which Governor Alf M. Landon comments:

"Nonsense. It can be done anywhere. Provided, of course, state and local governments are willing to work out a complete and comprehensive plan and then stick to it."

We'll survey this plan in a moment.

A state can economize

YOU may or may not have heard so much about Nebraska. But there she stands, brand-new capitol, Governor Robert L. Cochran and all, ready to show the world that governments wouldn't be so expensive if you cut out the non-essentials, concentrate on the necessary services, and treat public income and outgo as you would manage a private business.

Kansas and Nebraska have reached virtually the same goal, by the same general principles, but by different specific methods. How they did it is worth while telling to citizens of other states wandering around in fogs of mounting deficits and spending sprees.

You can take a pencil and a sheet of paper and put down the Kansas formula, under four main headings:

1. A tax limitation law.
2. "Cash basis" financial policy for all local units of government.
3. A compulsory budget law.
4. Uniform accounting and reporting.

"We can't claim credit for anything startlingly original in these enactments," says Governor Landon. "It is the combination of these laws, and the way we are trying to administer them, that produces results."

Governor Landon's research expert, F. H. Guild, emphasizes this point. He says:

No single one of these rules can bring about reduction of expenditures and a balanced budget. Why, take the tax limitation law. A lot of states passed tax

limitation statutes and now are struggling under what have proved to be unwise restrictions on public income.

Other states have tried what they thought were foolproof budget laws, and a few have clamped "cash-in-hand" enactments upon their cities and counties; but without the proper hookup they have run into more trouble than satisfaction.

The only practical answer is a complete plan, and any state can have it that wants to balance its state and local budgets as badly as to spend everything in sight and mortgage the future as well.

Not an automatic law

LET'S examine this tax limitation law. The Kansas legislature of 1933 passed the act which limits practically all the specific levies which the local subdivisions can make and puts an aggregate limit on levies in municipalities. In most cases, the total of the specific levies is greater than the aggregate, leaving the distribution to the local officials.

For example, a city may be permitted to levy one mill for each of 15 funds, yet the aggregate levy for all funds may be set at only ten mills.

"This differs from the straight 'horizontal' tax limitation that has pushed so many states into trouble," Mr. Guild points out. "Besides, we have what Governor Landon calls an 'expansion joint.' Any city, county, district, or other unit needing more funds to operate may appear before the State Tax Commission which has authority to permit increase of levies by 25 per cent in cases of emergency."

That's one expansion joint. Here's another:

If the local officials wish to make a larger levy than that set by statute, they can do so if three-fourths of the voters approve the increase at a regular or special election. This increase cannot, however, exceed 25 per cent of the original limitation.

Under this adjustable tax limitation law, total taxes assessed for all purposes in 1935 were only about two-thirds of the total assessed in 1929. What next?

"Put them on a cash basis—" Governor Landon requested of his 1933 legislature. "Don't let them spend what they don't have!"

A big order. But carried out to the letter. The tax limitation law has kept *rates* down. The cash basis law has kept *expenditures* down.

At the time this law was applied, there were in Kansas the usual floating debts and red-ink figures that in-

flict cities, counties, townships, school districts and other local units of government everywhere. Unpaid warrants were floating about, testimony of exhausted funds. A total indebtedness of \$11,000,000 was represented by "sinking funds," and many such funds had sunk completely out of sight because the money had been used for other purposes.

The law provided that, first of all, every debt had to be brought out into the open and listed. That had a surprisingly healthy effect upon the determination of Kansas citizens to pay them off and keep out of debt in the future. Next—the local unit could pay them off on a short-time basis or issue bonds to fund the whole debt. Of course most of the cities, counties and districts chose the latter course. They issued bonds running from two to 15 years. All these Kansas bonds are serial, with percentages maturing each year, and payments must be made out of income. No more borrowing to pay debts. No more sinking funds! Furthermore, it is unlawful for the governing body of any municipality or other unit to create any

able to the public and all persons contracting with the municipality are bound to know the condition of the funds.

The third step—also taken at the 1933 session of the legislature—was enactment of a practical budget law, applying to all subdivisions, except townships spending less than \$250 a year. Officials of the units draw up a proposed budget. Then they announce public hearings on the budget and all may come who will.

This public-hearing business is tremendously important in administering the budget law. If you're in Kansas in the spring, you might join the string of cars heading for a schoolhouse and listen in on a course in community education. You'll hear the budget reviewed and adopted. You'll see a group of determined citizens—

"Determined, at least, that some conditions which prevailed before budget days never return," remarks State Accountant A. R. Jones. "Why, we found one school district which had money enough laid away for 17 years, and some of the board members themselves didn't know about it. We found all sorts of freak financial set-ups, including one in which a board member had built up an 'endowment fund' of \$30,000, invested in bonds of a boom real estate company that had gone broke!"

Budgets are public

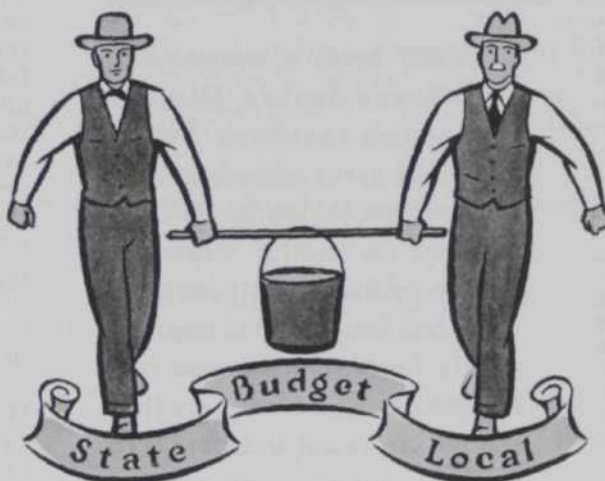
BUDGETS for all subdivisions except schools must be publicly reviewed by August 1, and for both groups the amount finally approved cannot exceed that shown in the original notice of the budget hearings.

Under the law, the budgets of municipalities must compare revenue and expenditures for the past year with those of the current year, and show what plans are made for income and outgo the next year.

It is obvious that the budget makers have to take into account both the tax limitation law and the cash basis law. It all comes down to this simple situation:

"Cash balance plus income equals what we'll have to spend. How shall we spend it?"

Local governments cleaned house for a couple of years under those three laws, and in the 1935 session of the legislature the fourth—The Uniform Accounting Act—was passed. After reviewing all methods of governmental accounting in cities and



KANSAS and Nebraska have reached virtually the same goal, by the same general principles but by different specific methods. They didn't do it by magic, bookkeeping or even statesmanship. The methods they used can be used anywhere if state and local governments work out a plan and stick to it

indebtedness exceeding the amount of funds actually on hand for such purposes.

The clerk and secretary of the governing body are to keep a record of the amount of money in the treasury for that particular fund and a record of all contracts creating liability or indebtedness. These records are avail-

counties in other states, the Kansas Legislative Council determined upon a plan. Again it's a good example of making a shoe fit a particular foot. Mr. Jones explains it thus:

We realized that a central agency could not sit in Topeka and audit the records of all the localities. Furthermore, we wanted to avoid the mistake of establishing a large state department which would send out a swarm of inspectors and auditors to the cities, counties and districts. So we provided, first, for a State Municipal Accounting Board composed of the state accountant, a county clerk, a county treasurer, a member of the board of education and a city administrative official.

This Board must license qualified accountants whom the local governments may employ for the actual auditing. Before July 1, 1937, all counties and first and second class cities must employ an accountant to audit their records in accordance with a minimum program prescribed by the state accountant and approved by the Board. The state accountant must design uniform accounting systems for all local governments, and those systems must be adopted by the close of 1941.

While finances in the 11,090 different political subdivisions of Kansas were thus being placed on an efficient basis, expenditures of the state government were also being reduced. One of Governor Landon's first acts was to order severe cuts in salaries for all state employees, including his own. He consolidated a number of boards and commissions, and brought about sharp cuts in appropriations for all agencies and departments.

And what about the emergency burden—the relief expenditures? The Kansas constitution forbids the use of state money for poor relief and provides that the counties must make levies for this purpose. The counties have assumed the burden, raising approximately 31 per cent of the relief expenditures through 1933 to the close of 1935. The remainder is provided by federal funds. This average compares favorably with eastern states and is higher than that for western states. In addition, the 1935 legislature appropriated \$775,000 for various types of relief expenditures, despite constitutional provisions.

Figures show that state and local governmental costs have been reduced 25 per cent in the past three years with a general reduction in property taxes of 32 per cent. Governor Landon insists:

"Credit for this accomplishment does not belong to any one administration or political party. It belongs to the state officials, to the thousands of trustees, county commissioners, school board members, and city officials; and to the citizens of Kansas, all of whom are demonstrating



AT the time the law was applied, Kansas had the usual floating debts and red ink figures. Unpaid warrants were floating about, testimony of exhausted funds, and \$11,000,000 indebtedness was represented by sinking funds—many of which had sunk completely out of sight because the money had been used for something else

an innate ability to govern themselves."

Now let us consider Nebraska. Any consideration of Nebraska's enviable position among state governments must take into account these facts:

The state has no bonded indebtedness. The constitution forbids the issuing of bonds, and the Nebraska government therefore has to pay as it goes.

The state depends almost entirely upon property taxes. There is no income tax, no sales tax, no cigarette tax.

Continually lower costs

NEBRASKA has had three governors since 1928 who have eternally hammered away for lower state and local governmental costs—Governors Arthur J. Weaver, Charles W. Bryan and the incumbent, Robert L. Cochran.

Moreover, Nebraska has a taxpayers' association in Omaha, functioning with quiet, effective precision, under intelligent, conservative leadership.

In 1927 Nebraska's total tax levy, representing expenditures for state and local governments, reached its peak—\$66,028,255. Since then, costs have been beaten down a little every year. Total levies for 1935 were approximately \$43,000,000—a decrease of 37 per cent.

Charles W. Bryan came into office

in 1931 on the definite promise that he would continue drastic savings to Nebraska taxpayers. He kept his word. A sample or two will suffice.

Amounts appropriated for all the state administrative departments for the biennium 1929-1930 totaled \$1,090,280. For the next biennium these agencies requested \$1,171,370. Governor Bryan recommended \$455,680, and these departments had to get along on very little more than just that. A figure entitled "miscellaneous appropriations," which grows to astonishing proportions in most states, called for \$402,100. Bryan blue-penciled it down to \$83,300.

A bill bobbed up in the legislature of 1931 authorizing issuance of \$25,000,000 in "negotiable instruments" drawing five and a half per cent interest, for construction and improvement purposes. It didn't pass.

The state government has no control over finances in the local units of

government, but a favorite expression of Charley Bryan's was this:

"I feel the state government should set a good example for the local governments."

Apparently the local units decided to follow the example because, while he was in office, appropriations for local governments were reduced 26 per cent—on the average.

Both major parties put planks in their 1934 platforms pledging no new taxes. Governor Cochran came into office.

His legislative session of 1935 broke through the corral and started to follow the stampede of most other states to raise new and bigger taxes. A two-cent sales tax was proposed and brought up for passage. An income tax bill was advanced to third reading by a comfortable majority in the House of Representatives. Governor Cochran issued a statement:

As your governor, I have read with considerable interest reports from sister states which have tried to shift the tax burden through measures similar to those now proposed for Nebraska. While it is not within my province to comment upon the affairs of our neighbors, it has not escaped my observation that many of them are today still searching for other, additional forms of tax. One new tax or two new taxes do not relieve the pressure for increases in the public revenue. The demand for more money is as old as government, and probably will

(Continued on page 68)

Business Meets in April



Guided by the membership, the resolutions committee will lay out business policies



BY ALLEN FOR NATION'S BUSINESS

In the corridors and lobby, business men from every state will exchange views and ideas in informal discussions



MCALVOY

President Harper Sibley will open the sessions

SCENES like these will be enacted for the twenty-fourth time this spring when the Chamber of Commerce of the United States holds its annual meeting in Washington. The dates are April 27 to 30.

Delegates from more than 1,500 business men's organizations representing 700,000 individual firms and corporations will pool their opinions concerning every commercial activity in the land. Acknowledged authorities in the various fields of business will lead the luncheon and group meetings at which problems of specific industries will be discussed. These discussions will be crystallized into resolutions formally setting forth the views of business.

The theme for this year's meeting is "Principles of American Enterprise—Requirements for National Progress."

Twenty-five hundred are expected to attend.



Registration will show delegates from every state in attendance

The Retailers Have Modernized

By RICHARD WEBSTER



Enduro stair rails help beautify Richman Brothers Co., in Detroit

HAS there been too much propaganda for modernization? And too little attention to improvements actually made? All through the past two calendar years the retailers have been modernizing. They have been doing it on their own initiative, and they have done it with real tangible benefits to business in general as well as to their own trade.

Because it is retailers who have been doing this, little has appeared in the newspapers except in store advertisements. Sometimes a short news story has appeared. For instance, early in 1935 an Associated Press dispatch of some 40 words told that Carson, Pirie, Scott & Co. of Chicago have "an improvement program to cost between \$1,250,000 and \$1,600,000 for its retail store. The renovation will include a new heating and power plant, air-conditioning, escalators and new elevators."

In your own home town you probably know of a similar program of retail improvements. But do you realize that the same sort of thing is happening all over the country? In Chicago, Marshall Field & Company spent in 1932-1934 about \$1,600,000 for improvements. In New York, Hearn's added a million new capital for remodeling

MUCH has been said about the need for modernization but little mention has been made of those who have accepted the advice at face value and spent money and time putting it in practice. Here, then, is a belated account of a movement which, although it has been silent, has been nation-wide



REPUBLIC STEEL CORP.

Sales in Hanscom Baking Corporation's remodeled stores jumped from 100 to 200 per cent more than previous sales

in 1935—more remodeling, because in 1934 this store spent more on renovation than any other New York store, except Saks Thirty-fourth Street, where the first floor was entirely made over and all other floors improved.

In Hartford, G. Fox & Company remodeled all 11 floors at an estimated cost of a million.

Taylor's in Cleveland invested \$500,000 in physical improvements in 1934.

A new exterior for the J. W. Robinson store in Los Angeles cost \$300,000. New escalators for Bullock's, also in Los Angeles, cost more than \$200,000. And in Seattle,



Indirect lighting and distinctive tone distinguish the men's department of Taylor's in Cleveland

the recent redecoration and remodeling at Frederick & Nelson's was a quarter of a million investment.

In New York, the new store of S. H. Kress & Co. at Thirty-ninth Street and Fifth Avenue, will run into a lot of money—especially as the plans call for a first floor unbroken by a single pillar! In Birmingham, Ala., another Kress store built in 1935 cost \$550,000; and a new store there for Loveman, Joseph & Loeb opened late in 1935 involved the expenditure of a million.

The new Goldblatt unit in South Chicago is to cost about \$500,000. Expenditures like these are not limited to one or two big stores in a city. In 1934—before the remodeling of the J. N. Adam store there—the aggregate investment in Buffalo for retail store improvements was at least a million. In the period 1930-34, retail stores in New Orleans spent a million and a half for air-conditioning alone.

Neither is this heavy spending confined to any one part of the country or to any one type of store. Last summer Montgomery Ward was putting a new uniform layout in their retail stores at the rate of 18 stores a month. The Great Atlantic & Pacific Tea Company and the Childs restaurants have also been changing fronts and Lerner's Vogue Shops are being redecorated.

Retailers have helped end depression

MUCH more than the mere make-work expenditures, this activity of retailers has had big, general beneficial results. The willingness of retailers to spend their money has been a great help to industry as is shown by a newspaper advertisement of April 30, 1935, by Gimbel Brothers, New York. Under the heading, "This Country has a case of jitters . . . Gimbels has not," was this summary:

"We are spending a quarter of a million dollars for air-conditioning on street floor and two basement floors. We employed 55,000 men hours; we bought 500,000 pounds of steel, 25,000 pounds copper, 250,000 pounds of sheet iron."

Other cooling installations include that by Filene's of Boston whose entire store is now air-conditioned; Lazarus Brothers in Columbus, Ohio, who have spent \$200,000 for cooling; the Shillito store in Cincinnati with cooling for basement and three floors; and Kline's

in the same city, which as a part of an elaborate remodeling program, has put air-conditioning in the basement and nine floors. The new windowless store of Sears, Roebuck & Co. in Chicago, and the new Loveman, Joseph & Loeb store in Birmingham are entirely conditioned. Store modernization in this dull period has given business not only to air-conditioning industry but to makers of business appliances.

The improved financial statements of these manufacturers for the past few quarters certainly owes much to the retailers' activity in modernization. Definite proof is



Aluminum doors and grills guard the entrance to the Washington Arcade in Chicago

found in a recent trade-paper advertisement headed: *\$36,540 worth of National Cash Registers—part of G. Fox & Company's two-year modernization program.*

The body of that advertisement lists a baker's dozen of department stores that have recently reequipped with Nationals—most of the names occur repeatedly in this article.

New business from retailers, coming to the business appliance manufacturers before there was any general upturn, has certainly shortened the usual lag of appliance sales behind retail volume.

If you add up the available data on the results of this investment, what is the grand total as an economic phenomenon, as a business fact? It seems to me that we must reckon that this big, far-reaching investment pro-

notes public purchasing in retail stores in at least two important ways.

First, this spending by the stores distributes considerable sums for wages and materials.

Second, store improvements effectively display and demonstrate products and services that need popular appreciation and understanding. Examples are modernist furniture, exemplified in counters, fittings and lighting fixtures, and the use of new materials and new colors and new color combinations.



The modern streamlined escalator in Sears, Roebuck and Company's State Street store in Chicago is decorative as well as practical

Metals, for instance. Consider the effect on the buying public of the stainless steel on the exterior and the aluminum in the interior of the new Kresge store in Cleveland. Or of the aluminum in the grand staircase in the Hayden store in Omaha—or in many new escalator installations in different stores.

Color, inside and out, constantly displays new decorative notions and promotes their acceptance.

So, in theory anyway, store improvements promote buying by creating an atmosphere of spending. The freshness, not to say the lavishness, of a newly decorated and equipped store *should* stimulate visitors to open their purses and reach for their check-books? Does the theory work?

Sales jump after modernization

THE expenditures listed here are so recent that it is rather soon to canvass results. But already, there are some surprisingly good reports—and from a sufficient variety of sources to indicate generally favorable results.

John McKinley, president of Marshall Field & Co., Chicago, recently told his stockholders that the reason why the retail division of the business showed a profit last year was "the courage and foresight shown in the

(Continued on page 82)



ALUMINUM CO. OF AMERICA



The Webb C. Ball Building, Cleveland, before and after remodeling. The upper floors, formerly residential, are now high-class commercial

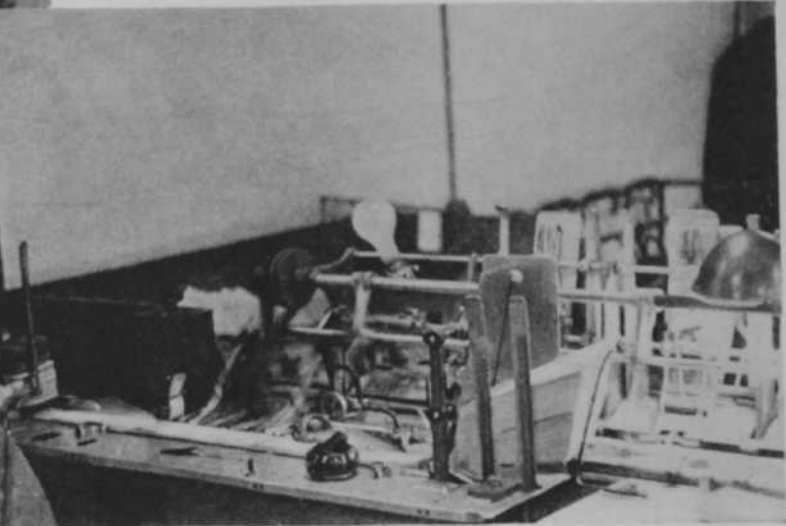
Mass Production in a New Field



Machines spin forth the checks with payees' names and amounts imprinted



Then they're fed into modern automatic check signing machines for signature



PHOTOS FOR NATION'S BUSINESS BY W. L. HAMMER

Machines are also used in the final step, insertion and sealing of checks in envelopes for mailing



But the older manual machine, by which 15 checks at a time are signed, still helps out on the job

ONLY a few years ago it would have been almost physically impossible for the federal Government to spend money on the scale now current. The very task of disbursing such sums would have provided a practically insurmountable obstacle.

With—shall we say—thanks to modern mechanical aids, however, the job of discharging the “gentle rain” of government checks assumes manageable form. Original estimate of the number of these checks to be issued in the course of the current fiscal year—this aside from cash disbursements—was 134,000,000, more than double the old average of around 50,000,000 or less. Revision of relief policies reduced the 134,000,000 estimate to 110,000,000 at the year-end—a “rain” still sufficient, however, were the standard check forms laid edge to edge, to cover a 40-acre field.

Suspension of AAA rental and benefit payments promises to shrink the estimate still further. Checks covering these payments were pouring out at the rate of

75,000 a day when the Supreme Court dammed the flow. The flood continues in other channels, however, major among which are 900,000 each month for pensions and compensation and more than 3,000,000 monthly for relief activities.

The mere mechanics of preparing and distributing these checks, even with the aid of the most modern machines, keeps 4,200 Treasury Disbursing Division workers busy—1,200 of them in the Division's Washington offices and 3,000 in its field offices.

I Talk with Workers

By WHITING WILLIAMS



Track-walkers can strike today and find as good a job somewhere else. The engineer can't do it

WHAT passes for "public opinion" in America is a composite of many states of mind, none more representative than the thinking of the man on the job. That the plain folk who work for their living have some reasoned ideas about issues and policies which touch their livelihood is readily demonstrable to any intelligence receptive to realities. From a country-wide contact with many sorts of workers I have found it possible to summarize reactions to matters of current importance to the business community.

Consider the dissension in the ranks of "Labor" with a capital "L." John L. Lewis, powerful head of the United Mine Workers, is trying to persuade craft unionism that his drive to organize mass production workers along industrial lines bodes it no ill. His evangelism defines the issue between unions of the exclusive type, representing individual trades, and those of the inclusive or "vertical" type representing whole industries. The cleavage is fundamental, as the rebellion led by Mr. Lewis shows.

1 • Leader Lewis' contemplated "Battle of the Verticals" in certain industries heretofore unorganized is likely, I believe, to accomplish little.

LONG recognized as a specialist in industrial relations, Whiting Williams has faced the problems of large-scale business at an executive's desk and shared the lot of the worker in coal mines and steel plants. He knows men and management at first hand. Not only the industries he serves as consultant, but business men everywhere are beneficiaries of his frequent national roundups of what's going on in the minds of men and women on the receiving end of pay envelopes. Here is a lively report of a recent cross-country exploration of public opinion in the making. Today more than ever it is important to know what representative citizens are thinking about issues and policies that bear upon representative government. —The Editor



EWING GALLOWAY

First, because these workers are so unfamiliar with organization that they set little value upon the trained leader's strategy and, therefore, seldom give him the required time, confidence or cooperation. Leadership and experience, accordingly, still fight mainly on the side of the crafts.

Second, because "vertical" or industrial organizations seldom interest the skilled, higher-paid worker.

"Why," so I have heard the radical Soap-Boxer inquire, "don't we wage earners all join One Big Union, put ourselves under One Big Hat, and by our numbers run the country?"

"We locomotive drivers join with all other railroad men?" so I have heard his query answered. "Not on your life! Track-walkers, for instance, can strike today and tomorrow find as good a job somewhere else. But unless we engineers stand on the engine-deck, we starve. So why should we join up with rank-and-filers who could always out-vote us and so pull both our wages and our

dealings with our employers down to their rough-neck level?"

Insert in the above "We machinists," "We tool-makers" or any other skilled group and you perceive the huge importance of "differentials"—of money, perquisites and social standing. These make the skilled worker feel almost closer, in actuality, to Capital and Management than to (unskilled) Labor.

This is why political control of Industry tends always to bring Socialism or Communism. Since these differentials present too complex a problem, legislators always content themselves with raising minimums. This disregard of top and super-regard of bottom thus produces the Soap-Boxer's "One Big Hat"—creates "Working Class," Class Consciousness and finally Class Conflict. All the faster, also, because Government, to justify itself, usually proclaims that worker Opportunity is dead and that, therefore, Security only is to be sought.

Such abandonment of worker Opportunity would not fail to "Europeanize" us—make our "Land of Getting on" into the "Land of Holding on."

I still see few signs of Socialism or Red-ism in the factory—though more signs appear in parlor, class-room and pulpit. Nevertheless, American Soviets remain unlikely unless our entire government first breaks down. Such breakdown, furthermore, would have to happen not only in one Federal Capital but also in 48 states—unless we decided to play into revolutionary hands by castrating the 48!

At the same time, we ought to be able to find some constitutional compromise between social betterment through excessive federal centralization, on the one hand, and social stand-pat-ism with the States, on the other.

2 • Outstanding, meanwhile, is the continued unwillingness of any great number of workers—in spite of numerous governmental and other aids and urgings—to join belligerent organizations.

The "Why" is obvious enough.

First, because the American worker remains a notable individualist. (Especially those "born of foreign parents." To these, "American democracy" means equality of opportunity: their parents passed up European Security in order to take an American Chance!)

Everywhere the worker is a hard-boiled investor. Both here and abroad he ponders the question of organization dues:—"Will I and my children get on better if I go it alone, or can I hope to rise only insofar as I help—at so much per month—my whole working group or class to rise?"

"Too much money for beer!" so some organizers explain empty or near-empty organization treasuries. True, some employers now report the return of pre-prohibition "Blue Mondays." True, also, John Barleycorn now appears more popular in Smart Society. Still, the worker seems to have less use for him than 20 years ago. Probably because of the

greater competition, nowadays, of the car, the movie and the radio.

Second, because our biggest American employers still remain more social-minded than any others in the world. No international observer but finds the gap between Manager and Man vastly narrower here than abroad.

3 • The Wage earner's future, therefore, depends no more upon compulsory Labor legislation or belligerent organization than upon the cooperative statesmanship of management.

Absence of this last rightly opens the door to the other two. Nevertheless, my observations to date convince me that for the long-run interests of all concerned, belligerent compulsion is never a substitute for cooperation.

More than a few employers have learned the value of friendly workers who, in return for favors in one sector, gladly help cut corners—and costs—in another.

"Why is it," so big, law-managed industrialists in Germany have asked me, "that even after we install American machines and run them at the same speed as you, we, nevertheless, fail to get your low costs?"

"Society operates successfully," a Harvard philosopher told me recently, "only when its every member is glad to give more than he can be made to give."

The Industrial Statesman will today not fail to do his utmost (1) to maintain maximum Differentials for skill and semi-skill: and (2) to facilitate maximum worker Promotions.

4 • Barring inflationary costs of living, our labor relations—also our social-political-economic thinking—should show improvement as rapidly as jobs become more numerous and regular.

Nothing short of amazing is it that our wage earners have been so reasonable and hopeful throughout recent years of such demoralization as:

"Yet every minute that I did have a job, I caught my breath every time the boss came toward me—'Here he comes to lay me off!' And not once did I get home five minutes ahead of time, but my wife asked me—her hands a-shaking and a catch in her voice:—'Has it come, Jim? Are you laid off?'"

Even to men steadily employed, Inflation, whether caused by Townsendism or otherwise, would of course bring unimaginable misery.

"Last night," said a miner-friend in Germany's Ruhr Valley during the mark's nose-dive in '23, "I saw a woman tell the clerk, 'Here, thanks to the Good God, is 600,000 marks for a shirt for my man.' He had to tell her that the price, since afternoon, had gone to 900,000! The poor woman fell on the floor weeping and screaming.

"When we miners were paid off—at the rate of



EWING GALLOWAY

The lid blew off when the state party chairman told us that the federal funds would go to contractors and laborers of one party only

Burroughs

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2 5 Automatic
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3 6 Automatic
Automatic
6 3 Automatic
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Fewer motions . . . that's what makes a Burroughs so fast. Automatic ciphers, saving nearly one-third of the work, are only one of its many short-cuts. Other short-cuts permit the operator to add or subtract an entire amount with one motion of the hand. Taking a total is also a single motion. Could any machine be faster, simpler, easier to operate? For your copy of a new and interesting booklet picturing and describing these and other exclusive advantages of the short-cut keyboard, telephone your local Burroughs office. Or write direct to **BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICHIGAN**

**ADDING, ACCOUNTING, BILLING AND CALCULATING MACHINES
CASH REGISTERS • TYPEWRITERS • POSTURE CHAIRS • SUPPLIES**

Since Burroughs prints ciphers automatically, there is no time wasted writing them; no danger of error in writing too many or too few ciphers. The short-cut keyboard is the only one that provides this great saving in time and effort.

10,000,000 marks per day!—we all ran down street to the stores. Anything purchaseable was sure to be worth more the next morning than the money in our pockets!"

Meanwhile, pending more inflation, both workers and employers are registering gratifying interest in larger year-round wage earnings. Meanwhile, also, the leaders of all parties will do well to observe that the same defeatist, level-down-dig-in philosophy which was accepted by a jobless people will be—is already being—refused by that same people transformed economically, mentally and spiritually by steady work.

5 • Outstanding is the way the worker-citizen has lately become tax-conscious

"Not me!" so, two years ago, wage earners everywhere named the payers of the bills for relief 'n' everything. "'Cause I haven't got the money. So it will have to come from those rich Wall Street guys!"

"Guess we're all paying for it," so they reply today. "At least that's what my wife says every time she comes back from market."

"Yes, I voted for the AAA," farmers have told me. "And if you knew the corn-hog situation here, you'd vote for it, too. But if you think I approve of all this spending, you're crazy!"

"A family just a few doors away," said my barber, "has been chiselling relief for months. Of course, I don't want anybody to starve. But why should I and my taxes help support them!"

"The lid blew off in this (Mid-Western) town when the State Party Chairman 'phoned us that of course the federal funds given us for the new local project—out of taxes we all pay—were to go to contractors and laborers of one party only!"

This same new trend causes the unquestionably lessened interest in, and contributions to, Father Coughlin. Also, perhaps, because his listeners find greater allure

(Continued on page 55)

Green Pleads for Labor Unity



FOR NATION'S BUSINESS BY W. L. HAMMER

After his speech, William Green, president of American Federation of Labor, gesturing, continued a plea with miners' President John L. Lewis



Mr. Green pleaded with the miners to remain within the Federation and not make other unions "your enemies"

BEFORE a hostile audience, to the tune of cat-calls and boos, William Green, President of the American Federation of Labor, pleaded with the delegates of the United Mine Workers of America to bring about the disbandment of Lewis' committee for industrial organization and to remain within the Federation at their Washington convention early in February.

John L. Lewis, President of the Miners' Union, had recently resigned as Vice President of the American Federation of Labor in a controversy

with the executive council of the Federation over the issue of the craft versus the industrial, or vertical, form of unionization in the mass production industries. Mr. Lewis had organized a committee within the Federation to foster industrial type unions. This committee was ordered disbanded by the Federation's council. Mr. Lewis refused and his union has backed him up, taking action that may lead to withdrawal from the Federation. A rising vote of confidence given Mr. Lewis was the miners' answer to Mr. Green's speech.



"You won't have to worry about money matters"

HAVE you and your wife ever planned a budget to take care of all family expenses and occasional "extras"—all out of your regular income—and had the keen satisfaction of seeing your plans work out?

You would not plan a budget unless you had an income. Why not make sure that your family will have an income in case anything should happen to you? Then your wife will be able to balance her budget without worry.

A Family Protection Plan of Life Insurance will provide your family with \$100 a month, each month for twenty years, and in addition \$10,000 in cash at the end of that period. Or you can arrange larger or smaller payments—in the same proportion.

Would you like to find out if you could arrange this definite method of providing an assured income for your family? Why not allow a Field-Man to give you complete information about

this Policy which is settling uncertainties for so many families? Telephone your local Metropolitan office and ask him to call . . . or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.



Metropolitan Life Insurance Co.,
1 Madison Ave., New York, N. Y. (N)

Without obligation on my part, please send me information regarding the Family Protection Plan Policy.

NAME _____

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METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

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Demagogues have done everything in their power to keep management and labor apart

Labor's Need for Leadership

By WILLIAM D. RAWLINS

Secretary, the Lexington Avenue Civic Association, New York

WAGNER ACT or no Wagner Act, constitutional or unconstitutional as it may be, trade unions are here and the problems they present must be faced and settled in a way that is fair to labor, fair to industry and fair to the consumer. Until this is done no real prosperity is possible.

How many realize that the dues, assessments, penalties and incidental tribute exacted from the American workmen by trade unions are estimated at \$500,000,000 each year—sweat-earned, hard-to-get money which represents sacrifices of the minor luxuries and, often, the necessities of a decent living—and that, excepting the few insiders who spend it, nobody knows for what or how or when this vast sum is spent?

If it is fair, reasonable and in the public interest that employers shall be compelled by law to establish wage and hour standards through "collective bargaining" with organized unions of employees, would it be

MAYOR LaGuardia of New York has prepared a "baby Wagner Bill" for submission should the Supreme Court reject the federal legislation—a proposal likely to be echoed in other states. With current emphasis on labor's right to representation, the propriety of expecting responsibility of its spokesmen is suggested in this exploration of the worker's stake in industrial relations

unfair, unreasonable and against the public interest to compel labor unions to supply proof of their responsibility, and of their willingness and ability to fulfill the contracts they undertake?

If the standards of wages and hours established by employers affect the social good sufficiently to justify the enactment of such standards into law and the maintenance by government of an enforcing agency, it seems

to be undeniable that the practices and the acts of labor unions have an equal public interest and that, therefore, the practices and acts of the unions also should be subject to control and regulation by law.

If the public good is involved sufficiently to compel employers to recognize labor unions and to work through them regardless of the services they render, is there any valid reason why the unions should not be compelled to report to public authority the source and the amount of their incomes, and the amount and the purpose of their expenditures—in the same manner that reports are required from steam and street railways, bus, light, telephone and telegraph companies, banks, insurance and other corporations whose operations affect the public interest?

The employer represents financial and legal responsibility. He is answerable in the courts for the keeping of his contracts. He can be sued

(Continued on page 78)

Let's drag it out into the open



Business habits hide waste and leakage that can be stopped...turned into profit!

BUSINESS HABITS? In many thousands of offices...in all kinds and sizes of business...there are many wasteful methods which by long usage have become habits.

Certain tasks are performed in certain ways, without weighing the expense. Errors creep in but they are not measured in terms of expense dollars. Opportunities for progress are too often sacrificed for lack of modern cost-saving methods.

Let's drag expense out into the open and examine it...critically and thoroughly. Such action will reveal *many* opportunities to add to profits out of savings. And *every expense dollar saved is a 100% profit dollar.*

Flowing over your desk and over desks in all departments...day after day...are many forms necessary to conduct the business. A large percentage of these bear names, numbers, product descriptions and other repeated data which could be written 10 to 50 times

faster, more legibly and errorless by Addressograph.

Throughout the world Addressograph is *saving* large sums of money by speeding up and simplifying the paper work in all divisions of business...in office routine for non-commercial organizations...and in local, state and federal government offices.

If you are using Addressograph, our nearest representative will be glad to show you how to expand its *saving power*. If you are not utilizing the advantages of this modern business machine, he will gladly demonstrate the many ways in which it will *reduce expense* for you and help to build up profits.

Consult principal city telephone books or write to Addressograph Company, Division of Addressograph-Multigraph Corporation, Cleveland, Ohio, for valuable information. Name- and Data-Writing Machines, priced as low as \$48.00, and sold on convenient terms.

ADDRESSOGRAPH REDUCES EXPENSE

No Business Can Escape Change

One of man's most constant quests has been for new and better ways of doing things

Iron road paving plates—10½" triangles, 1½" thick—said to be virtually skid and wear proof, will be offered shortly. They're designed for anchorage to a concrete base. . . .

Glass cooking utensils which can be used in direct contact with the flame are made from a new type of glass. Two sizes of saucepans, with removable handles, are now available. . . .

Vacuum-type glass coffee makers are now made in an automatic model. The heating element is so timed that the liquid returns to the lower bowl at the correct moment. . . .

A new two-piece metal cap for mason and like-threaded jars eliminates rubber rings, tightening after processing. Screw band portion of the cap can be removed after cooling; jars are opened simply by puncturing the lid portion. . . .

A built-in cigarette lighter is standard equipment on a new electric range. Other features: two ovens, one large, one small, both illuminated; a low wattage "simmer" heat unit; swinging lights to provide illumination on cooking food. . . .

Radio fans can tell the time in principal cities of the world at a glance with a new clock (electric or spring). . . .

A new fuse plug has a white interior and a black link, shows clearly when it is blown, even on a light overload. . . .

Paper towels which can be washed, rinsed and used again are now offered for household use. Lintless, they can be used for wiping windows, polishing furniture, etc. . . .

Sunshine for potted plants is provided through a new metal shelf (for single pots) which attaches easily, quickly around or on either side of the lock of a double-hung window. . . .

Flour milled from cottonseed is now commercially available and bread made from it is offered in several cities. It is said to be rich in protein and a good source of Vitamin B. . . .

Restaurants, soda fountains, etc., are offered a new table with pedestal base to which four folding chairs are attached. When not in use the chairs fold completely under the table. . . .

Under a new laundry marking system an indelible ink mark, invisible in ordinary light, is placed directly in the fabric. It becomes visible only under a special lamp. Thus it can be used on table cloths, doilies and fabrics which usually are tagged. . . .

Work clothing, gloves, mittens which have a nonporous exterior resistant to acids, chemicals, moisture, are now available. Inner side, flexibility of the fabric is unchanged by the treatment. . . .

A recently developed line of protective coatings for metals, wood, concrete, etc., is made with a new base, said not to chip, crack or peel, to be free from porosity, impervious to water and corrosive atmospheric gases. . . .

Steam and condensate are said to be returned to the boiler through a new system at higher temperatures than ever before possible. The equipment is compact, motor driven, has only one moving part. . . .

A dry, non-inflammable chemical is offered for cleaning soot from boiler, flue and chimney of coal and oil furnaces. It is put up in a handy package which is simply placed in the fire. . . .

Greatly increased film strength of a new motor oil is said to give greatly reduced engine wear. Known as an "alloy" oil, it contains 99 per cent petroleum, one per cent non-chlorinated ester of phosphoric acid. . . .



Stronger, denser concrete is achieved through a new, quick curing process. A vacuum is created under an over-lying mat or form and atmospheric pressure squeezes out excess water

Wallpaper is removed without muss by an electric steam pan which connects with wall socket and water faucet. A rubber moulding on the pan edges seals the steam against the wall. . . .

An aluminum wheel chair (seat, back of washable canvas) which folds for carriage in an auto is offered invalids. . . .

Playing cards which are proof against moisture, warping, cracking, nicking and which are resilient and washable are on the market. They're made of a cellulose acetate. . . .

One is familiarized with chords and relationship of the keys through new music playing cards. A pack contains 105 cards, divided into 26 four-card books and joker and four suits. . . .

A new, small magnifying glass for examining engravings, bills, etc., is fashioned with a handle formed by a flashlight, so that material being examined can be illuminated. . . .

A new envelope for direct-mail advertisers has in its face a reply card in reverse, perforated for easy detaching. Addressee's name thus is legibly typed on the back of the card when it's returned, with post-office correction of any address error. . . .

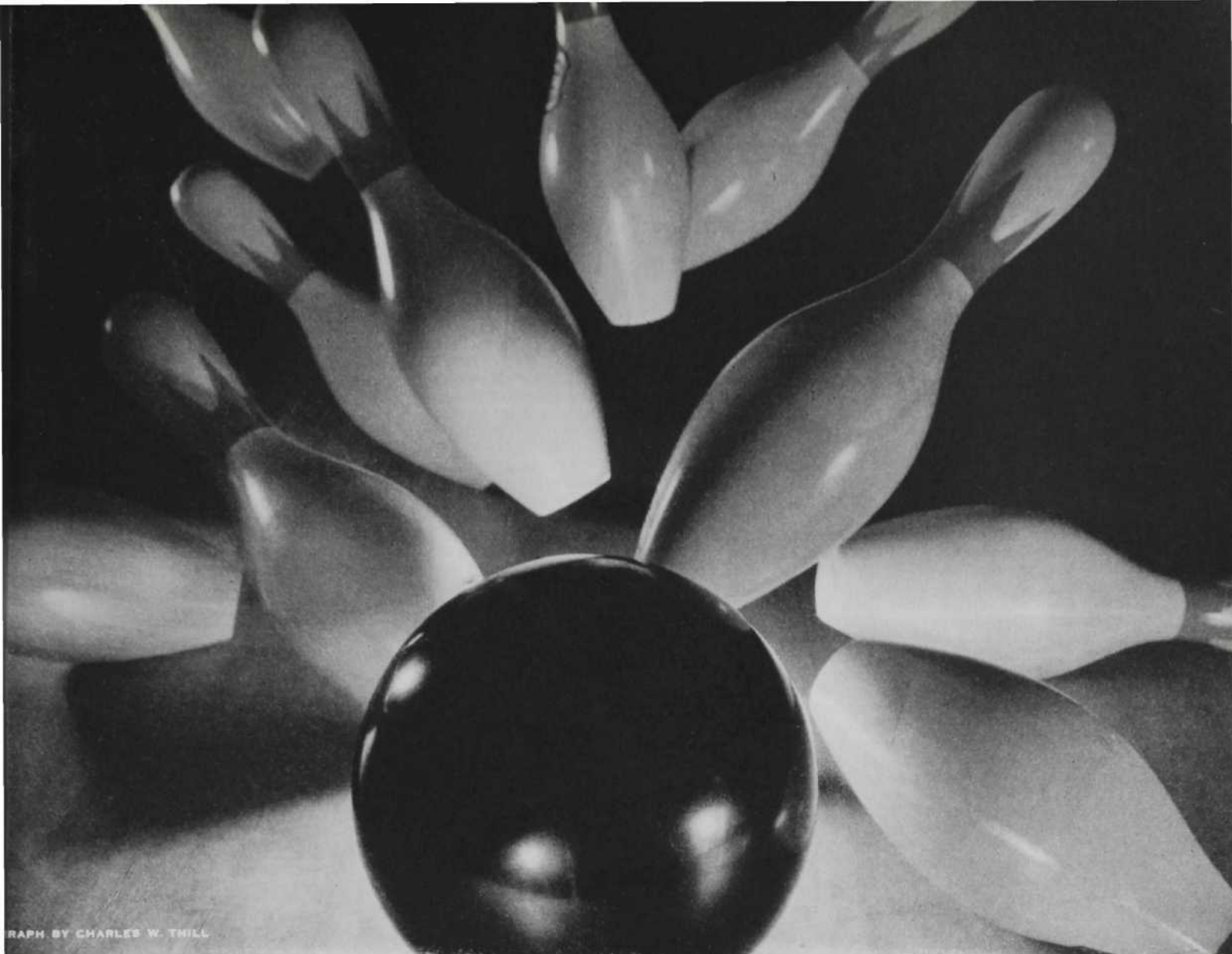
Spiral section of a new spiral screw driver is fully enclosed at all times, permitting thorough lubrication, keeping out dirt and preventing oil from dripping on the work. . . .

One rides standing up on a new gearless, chainless bicycle. It has a low-slung riding platform, an eccentric rear wheel and is driven by the shifting weight of the rider. . . .

A new laxative jelly for dogs and cats is administered by dabbing a dose on the animal's nose, whereupon he instinctively licks it off. A low trick, but they say it works. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.



GRAPH BY CHARLES W. THILL

IT TAKES MORE THAN POWER

S-T-R-I-K-E . . . the pins melt away like they were tied together. Why? Because they were hit so hard? Not necessarily. Bowling instructors will tell you most people throw the ball too hard . . . too hard to have control. It's where you hit that makes the difference. . . . That's why Motor Control is so important in Industry. Electric motors and the machines they drive have the power to do great things.

But it takes control—good Motor Control—to get results. To be sure of good Motor Control, most industrial plants specify Cutler-Hammer. Outstanding builders of motor-driven machines feature it in their designs. A host of reliable independent wholesalers stock it for your convenience. CUTLER-HAMMER, Inc., Pioneer Manufacturers of Control Apparatus, 1251 St. Paul Avenue, Milwaukee, Wisconsin.

One Insignia, One Standard

For almost a half century the name Cutler-Hammer has meant superior Motor Control. Whether buried in the base of a machine, a box on the wall, a room full of panels, or the little cold control unit on your own household refrigerator, C-H Control starts, stops, regulates and protects motors to save time, trouble and expense.



CUTLER-HAMMER  MOTOR CONTROL

New Ideas in Selling

Notes and comments on current trends and events in the field of distribution

On the retail horizon: Is retailing, which has had to adjust itself successively during recent years to the rise of mail-order houses, department stores, chain stores and supermarkets, soon to be confronted by still another new trade rival, the consumer cooperative?

The increasing attention that this form of distribution is receiving seems to foreshadow something of the sort. Most recent development in this line has been the announcement by the Boston merchant, Edward A. Filene, of the organization of the Consumer Distribution Corporation, with capital of \$1,000,000, designed to serve as the central buying agency and directional head of cooperative stores in a number of cities.

Sole objective of the plan, according to Mr. Filene, is to increase the buying power of the masses. Profits, under this plan, above a nominal interest on capital, will go to the customers, who are also the owners, of the stores.

But this is only the latest straw which seems to be pointing to what may conceivably become a most uncomfortable wind to present-day retailers. Two other powerful forces have been giving sympathetic attention and encouragement to consumer cooperatives and their organization. These are government and various agencies of the church.

The Federal Government has evidenced its interest in several ways, among them the incorporation of Tennessee Valley Associated Cooperatives, to help organize and promote cooperatives in the TVA area; the giving of informational assistance through literature issued by the Consumers Division, Bureau of Labor Statistics, Federal Emergency Relief Administration, Resettlement Administration, TVA and the Federal Trade Commission, and the granting of funds by FERA through state relief administrations to "self-help" cooperatives in need of working capital. These grants totalled \$3,141,193 up to November, 1935, when such grants were suspended, and went to about 245 such cooperatives, of which 212 are still functioning as this is written.

Among the state governments, Wisconsin has pursued her pioneering tradition by requiring the teaching of cooperation in all her public educational institutions.

Church agencies are increasingly active on the same score. Witness this quotation from the "Bishops' Program of Social Reconstruction," published by National Catholic Welfare Conference: "More important and more effective than any government regulation of prices would be the establishment of co-

operative stores. . . . The astonishing difference between the price received by the producer and that paid by the consumer has become a scandal of our industrial system. The obvious and direct means of reducing this discrepancy and abolishing unnecessary middlemen is the operation of retail and wholesale mercantile concerns under the ownership and management of consumers."

Witness also the resolution of the Federal Council of Churches of Christ in America, as part of its "New Social Creed of the Churches," that the churches should stand for the encouragement of cooperatives.

Young people of the church are hearing the cooperative gospel through discussion groups which are guided by lit-



Gloves are saved from soiling through try-ons and sales are speeded by a new device which measures the hand in terms of glove sizes

erature such as "Seeking a New World Through Cooperatives," published by the Methodist Book Concern. Their elders are currently hearing the same gospel preached by the visiting Japanese, Toyohiko Kagawa, of whom the November-December *Bulletin* of the Federal Council of Churches said:

"One of the special points which, it is reported, Dr. Kagawa desires to emphasize during his American visit is the opportunity of the Church in connection with consumers' cooperatives, which he regards as a practical expression of the Christian ideal of love in economic terms. . . . While here he is to hold a conference, sponsored by the Federal Council, on the relation of the Church to the cooperative movement."

This conference, the Seminar on Consumers' Cooperation, met in Indianapolis

December 30-31, attended by 350 church folk, government observers and representatives of consumers' cooperatives, farm groups, and organized labor. Its recommendations, unanimously adopted, included these statements:

"We are convinced that the cooperative movement is one of the major techniques in making possible the Kingdom of God on earth. We believe that the churches and religious organizations have an opportunity to supply dynamic motivation for this most promising movement. . . . The churches should endeavor to direct this growing interest [in cooperatives] into active participation in cooperative enterprises."

So far, of course, consumers' cooperatives have claimed no significant place in the national distribution picture. One estimate puts their share of 1934 retail sales at only about one per cent. Most of their strength has been concentrated in the North Central States. Whether under the stimulus of church and state and such organizations as Mr. Filene's, we are about to see a growth of cooperatives here such as has taken place in England—where independent and other retailers view them as a threat to their very existence—Sweden, and several other European countries, is a question which should provide our present-day retailers, chain and independent alike, with much food for thought.

Paint now, pay later: In its deferred payment painting plan, recently announced, the National Paint, Varnish and Lacquer Association has undertaken a business-building plan unique in the trade association field. Under this plan the home owner is enabled to pay for a painting job on the installment plan and the dealer and painter who does the work collect cash in full on the job's completion.

Financing is handled through the National Homes Finance Corporation, a private company with which the Association has worked out the plan, in conformance with requirements of the Federal Housing Administration. Dealers or painters are required to spend at least 25 per cent of the amount financed on a given job for paint or varnish supplied by a manufacturer or wholesaler—here's where the benefit to Association members comes in—who is "cooperating with National Homes Finance Corporation."

Since paint jobs do not exactly lend themselves to repossession, financing companies heretofore have been chary of handling paper of this sort. FHA's insurance and other provisions opened the way for financing in this field, an opportunity which the Association was quick to seize.

Odd lots: Names of 10,000 prospects rewarded the ingenuity of a radio and refrigerator distributor who exhibited his wares at a California home appliance show recently. Placards told visitors that at the end of the show the exhibits would be sold to the highest bidder and invited them to submit their bids on slips of paper. . . . Packaged pork sausage now joins the ranks of "dated" products. . . . Customers may buy any part of a chicken, such as one breast or one leg, or as many of each part as they desire, at a Washington (D. C.) poultry market. . . . One company now is packing its pipe tobacco in a highball glass container.

—PAUL H. HAYWARD

MAKE THIS FREE

Gas Test

BEFORE YOU BUY A TRUCK!



DODGE gas economy is amazing truck buyers the Nation over! Now Dodge calls for a show-down in the lowest-priced truck field with a simple, revealing "prove-it-yourself" plan that ends claims and talk. In five minutes you can see exactly how far a Dodge truck will go on a gallon of gas. Then you can check the mileage of your present truck just as easily. Buyers who have compared Dodge against other trucks, both old and new, say "Dodge saves up to \$95 a year on gas alone."

You want savings like that on gas. But Dodge savings don't end there! Dodge has many quality features found only on higher-priced trucks, that save dollars every week on oil, tires, upkeep. On top of this, everyone knows that Dodge trucks are more dependable, last longer. And remember, only Dodge of the lowest-priced three is built in an exclusive truck plant by experienced truck mechanics.

See your Dodge dealer and ask to make the free gas test. No obligation. Phone or drop in at his showroom today.

DODGE

Division of Chrysler Corporation

NEW DODGE TRUCKS

SHOW GAS SAVINGS OF UP TO \$95 A YEAR

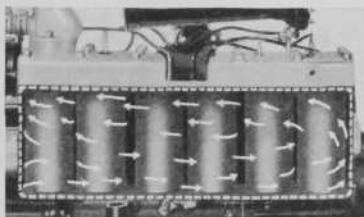
Dodge Engine Features Mean "Pre-Proved" Gas Economy

Only Dodge of the 3 lowest-priced trucks gives you all these 6 features: full-length water jackets, spray-cooled exhaust valve seats,

aluminum alloy pistons, 4 piston rings, exhaust valve seat inserts, special oil cooling.

Many Other Money-Saving Advancements

New "Fore-point" load distribution increases hauling efficiency. Crankshaft has 4 main bearings. Safety-steel cab lasts longer. Dodge pioneered this type of cab. Dodge has led over the years in quality truck building, now leads by a wider margin than ever!



1½-ton, 136" W. B. Stake, \$690*

NEW COMMERCIAL PANEL—116" W. B.—6-cyl.—It's

America's handsomest delivery car! With all the famous Dodge money-saving features. Priced with the lowest, yet try to match it at **\$585*** any price!



Genuine HYDRAULIC BRAKES save tires, brake linings and adjustment expense. Dodge introduced hydraulic brakes in low-priced trucks! See your Dodge dealer today.

STILL PRICED WITH THE LOWEST ½-Ton Chassis, 116" W. B.

*List prices at factory, Detroit, subject to change without notice. Special equipment, including dual wheels on 1½-ton, extra. Through the Official Chrysler Motors Commercial Credit Company New 6% Time Payment Plan you will find it easy and economical to arrange time payments to fit your budget.

\$370*



"It looks like the hide of a sick hippopotamus, but that gives it to me for ten per cent off"

A Matter

"Be your age, Finley," he told himself severely, pausing for a long breath with his hand on the door knob.

Martin Wright sat hunched over the big, glass-topped, walnut desk in the center of the darkly paneled office. He weighed an even two hundred and looked it.

Early experience as a blacksmith had left him, at 69, a powerfully built man with huge, rounded shoulders that gave him a ponderous aspect. But when you found his rugged, clean-shaven face turned your way, and felt yourself slipping beneath the spell of those shrewd, deep-set eyes you knew that it was something besides bulk which gave Martin Wright the deciding word in any group of men.

"Take a chair, Finley." He waved one blacksmith arm and, with the other, shoved aside a letter he had been reading. "How long have you been with us?"

Satisfying customers

"FIVE years, Mr. Wright," said David tensely.

"Pretty familiar with our policies by this time?"

"I've been through all the departments."

"Um. Ever done any adjusting with our customers?"

David's face fell.

"No, sir, I haven't," he admitted.

"Suppose you read this letter."

The President leaned back and watched the younger man appraisingly through half-closed eyes as David took the letterhead of the Donnan Supply Company, of Pittsburgh. He read:

Gentlemen:

Your trial carload of "XY" Roofing has arrived. Regret to say that the material seems inferior to that of your competitors. Apparently something went wrong in your dipping department when this batch went through. The powdered slate coating is uneven and "spotty" and the whole appearance below what we had been led to expect from your claims—and the slogan on your letterhead.

We see no way of disposing of this roofing—at least without a substantial price reduction from you.

Sincerely yours,

DONNAN SUPPLY COMPANY

by A. T. Donnan, Pres.

David handed the letter back and waited.

"I know Donnan," the Old Man explained. "That is," he corrected, "I ought to. We've been trying to get a wedge in there long enough. And now that it's in, I want that carload to stick. Understand? I'd rather allow him 50 per cent off than take it back. But we may not have to go that far."

"I should hope not," observed David.

DURING 25 years of steady progress, old Martin Wright, founder and eccentric head of the Wright Roofing Corporation ("It's Wright—Or It's Wrong"), had managed nicely without the aid of an Assistant to the President. Now, rumor had it, he was about to add such an official to the pay roll.

Whether this rumor sprang from the Old Man's sudden interest in golf, or from the approaching "house warming" of the plant's latest glass-and-concrete addition, the time seemed opportune for him to shift certain details of management to the shoulders of an alert assistant.

But where the lightning might strike was another matter. Martin Wright's methods of choosing key men were as unique as they were effective. Some even called them unethical; which, of course, was a matter of opinion.

And so none dared predict who would be given this latest job. Least of all a tall, freckled young man of 26 whose wide mouth gave his face a slightly humorous expression, as though its owner realized the absurdity of placing steady, steel-blue eyes directly beneath a shock of excitable red hair.

Walking briskly down the corridor this warm September morning in answer to an unexpected summons from the Old Man, he fell to picturing the new title tacked on to his own name, thus:

DAVID FINLEY, ASSISTANT TO THE PRESIDENT.

A bold picture!

"Well, why not?" he reflected—and found no good argument against it.

For five years the Old Man had shunted him from one department to another in a manner most aggravating to any one who believed a straight line the shortest distance between two points. But he'd hung on as patiently as his red hair permitted. While there was life there was hope that some day something might happen.

Then why not today?

His pace quickened at the thought, so that he had to slow up by main force.



David Finley

of Adjustment

By LYMAN ANSON

THE chief purpose of this story is entertainment but you can't read it without wondering how those who cry out for government regulation of business would draw up legislation to meet the ethical problem which young David Finley met in this business adventure

"Donnan's game, of course, is to bluff us into a big enough adjustment so that he can sell the material at more profit than he'd probably make otherwise. There's always some one in the market for 'seconds.'"

David's eye had wandered to the framed slogan on the wall, "It's Wright—Or It's Wrong."

Funny, he'd never thought of Wright Roofing in terms of "seconds" and "bluff." But, after all, business was business.

"So what I want," the Old Man was explaining, "is some one to go to Pittsburgh and do a little bluffing on our side." He paused, then added, pointedly, "Can you?"

David roused. "Why—yes, sir, I'll try," he answered.

"Good. And here's a tip." The President's hands were clasped in front of him as he leaned forward. There was a twinkle in his eye. "You're a bit impulsive, m'boy."

David acknowledged the doubtful compliment with a grin.

Sleep over it

"WHICH being the case," the other continued, "I suggest that you see Donnan tonight if you can but sleep over the matter before you agree to anything definite. Thousands of dollars are saved in cases like this by sleeping over it. That's one of the tricks of the trade. Can you get the noon train?"

David glanced at his wrist watch.

"Yes, sir. I'll send home for my suit case." He turned abruptly to the door.

"By the way," the President called after him, "while you're in Pittsburgh stir up Slocum-Brice on those engraved an-



Martin Wright

nouncements. We need 'em. If they're done, bring 'em back with you."

David dragged himself along the corridor down which he had hurried so hopefully five minutes before.

Yet by the time he was ready to start for the noon train he was more excited than

he'd been any time that morning.

A few casual words from his friend Blake, the head bookkeeper, were responsible for the change. Blake had stopped him as he was walking out of the main office with his suit case.

"Hear you're off to Pittsburgh."

"How'd you know that?" demanded David.

"Rumor."

"Yeah. I've become the Old Man's combination price wrangler and messenger boy."

"Never mind. You never drove a hard bargain with a sore customer before, did you?"

"That's about the only thing I haven't done around this dump."

"Well, you better do it now for all you're worth."

"What d'y'mean?"

"I mean"—Blake seemed oddly in earnest—"that this new job of Assistant to the President takes a pretty all-round man."

David dropped his suit case and straightened up. "You think," he asked slowly, "that it's a test—of me?"



LEWIS DANIEL

"What you didn't know, though," he announced with a note of triumph in his voice, "was that I arranged with Donnan to show you the wrong car."

"I wouldn't put it beyond the Old Man."

"Why didn't he say so, then?"

"Because he wouldn't get any kick from doing it that way. He's a queer bird, Dave. I don't say that his ways of picking a new man are always open and aboveboard. But what's the difference, if he gets the right people in the end? And he usually does. So, if I were you," he lowered his voice confidentially, "I'd show him that you can bluff a tough customer as well as the next man. Maybe a little better. See?"

Ready for a hard bargain

FOUR hours on a Pullman with nothing to do but think crystallized Blake's broad hint into a certainty. David saw now that there was no question that this was a test.

"Fair enough, at that," he argued with himself. "The Old Man's got a right to his own methods, as long as I get the job. Well, he'll find that I can drive a bargain if that's what he's looking for."

By the time his train nosed cautiously into the station at Pittsburgh he was ready to drive a hard bargain with the devil.

Whether or not A. D. Donnan answered this description David did not find out at once. Mr. Donnan had left for the day. It would be quite possible, however, according to an assistant, for Mr. Finley to examine the carload at once and talk over a possible settlement in the morning. The assistant rang for the foreman:

"Bill, this is Mr. Finley, of the Wright Roofing Corporation. Show him that car, will you? You know—on the north siding."

"The north? Oh, sure, this way, Mister," growled Bill.

He led the way through sheds piled high with miscellaneous building materials, across railway sidings and, finally, to the open door of a lonely freight car.

"There's yer stuff, Mister," said Bill. "We undone a couple bundles, and that was enough. Hop in and take a look."

His first curious glance showed David that the material was far below the Wright standard. The coating was

uneven, giving the surface a disagreeable, mottled effect. At that, it might wear well enough.

He only wished he knew what sort of price reduction Donnan had in mind. Whether 20 per cent, or 50 per cent. That would give him something to argue on. As it was, he'd have to put up a sheer bluff in dickering with the man. Save a lot of fuss if their slogan could be taken literally in a case like this. No argument. No bluff. Ship the car back and forget it.

But that wouldn't make much of a hit with the Old Man. No, he was here to argue Donnan into accepting that car with as little loss to the Wright Roofing Corporation as possible.

He lowered himself out of the car, dusted his knees and replied to Bill's questioning scowl with a non-committal, "Tell Mr. Donnan that I'll see him about this in the morning, will you?"

Seated in the hotel lobby with a cigar between his teeth, he was figuring reflectively on the back of an envelope when he became aware of a man of uncertain age eyeing him closely from an adjacent chair. Finally the stranger walked over.

"Say, ain't your name Finley?" he asked. "I'm Putter. Remember me, don't you? What you doing in a he-man's town?"

David shook hands mechanically.

"Hello, Putter," he said. "How's the contracting game?"

"Rotten—barring a little piece of one-horse luck I ran into today."

"That's something. Sit down and let's hear about it."

Putter accepted a cigar and smoothed his crimson tie.

"Yes sir, if I hadn't stumbled on some bum roofing cheap we'd actually be in the red this month. When your client's in Europe," he winked slyly through a smoke ring, "there's nothing like knowing his architect's inspector, hey?"

"What's wrong with the roofing?" asked David professionally.

"Say, I'd forgotten you're in the roofing racket. Why, all I know is that it looks like the hide of a sick hippopotamus. But that gives it to me at ten per cent off—maybe more, depending on what he can gouge out of the manufacturers for damaged goods. Unless he changes his mind about letting me have it. But why should he bother to send the stuff back when he can still clean up pretty on the deal?"

"Who are you getting it from?" asked David.

"Oh, the concern's Okeh. Donnan Supply Company here in town. Maybe you know—What's matter?" he laughed. "Swallow your smoke?"

"Nothing at all. It's all right," David assured him, amid coughs.

An advantage in adjustment

HIS room was cool and reasonably quiet. But for a long time after going to bed he lay awake, planning how best to use the club which the Putter person had thrust into his hand.

So Donnan had a customer for the car already, eh? Going to sell it at ten per cent off, was he? Then he'd have to be satisfied with 15 per cent off from the Wright Roofing Corporation. This was like dealing from a

(Continued on page 62)



"Good lord, nobody's going to squint at them through a microscope. They look fine—plenty good enough. Wrap them up."

WHAT DOES DISTRIBUTION MEAN..



THIS? . . .



OR THIS?

DISTRIBUTION, in its fullest sense, can mean only one thing—putting your product into the hands of the consumer. A product in the store has only changed its point of warehousing. But a product in the *home* is a complete sale.

If your problem is one of making these complete sales, our many years of experience in merchandising package goods may help you find the answer.

A letter to us will not obligate you. Merchandising help is part of our service to manufacturers.

**AMERICAN CAN
COMPANY**

230 PARK AVENUE • NEW YORK

EACH TUESDAY NIGHT

N. B. C. WJZ Network

BEN BERNIE "and all
the lads"

Sponsored by AMERICAN CAN COMPANY



THEY SAW RAILROAD HISTORY MADE THAT DAY

YOUNGSTERS weren't the only ones who stared with open mouths that day. A new kind of train was coming through at a hundred miles an hour, and a half million people lined the tracks to see it pass.

They saw a silver bullet streaking across the 1015 miles from Denver to Chicago without a single stop; they saw history in the making.

That streamlined train of steel, forerunner of many others, dramatized the fact that railroads are "going places" today. As the world moves ahead they are keeping pace. The iron horse becomes a steel greyhound that eats up distance with incredible ease, comfort and safety.

Remember when it used to take the better part of a week to cross the continent? Today you step aboard a train at Chicago and whisk the 2228 miles to Los Angeles in 52 hours. You cover the 431-mile jump from Chicago to St. Paul in 389 minutes . . . the 488 miles between Chicago and Omaha in 480 minutes.

Over the length and breadth of the land, speed is the order of the day. Running time

between New York and Chicago is at the rate of 961 miles in 990 minutes; between Boston and Providence 43.8 miles in 44 minutes; between New York and Washington 226½ miles in 225 minutes; while the 86 miles from the North Philadelphia Station to New York are clipped off in 82 minutes. Freight trains, too, have felt the urge to hurry, and there is overnight service now on many runs that only a little while ago required days.

Hand in hand with this advance in speed has gone a marvelous record of safety. Not one single passenger was killed in a train collision or derailment on an American railroad in the year 1935. The railroads have had to economize through the great depression, but they never have economized at the price of safety.

As the railroads prosper, United States Steel prospers, for we are both their largest supplier and their largest customer. Our metallurgists, laboratories, and plants are working now on the new and better steels that are demanded in the new railroad era that has so well begun.

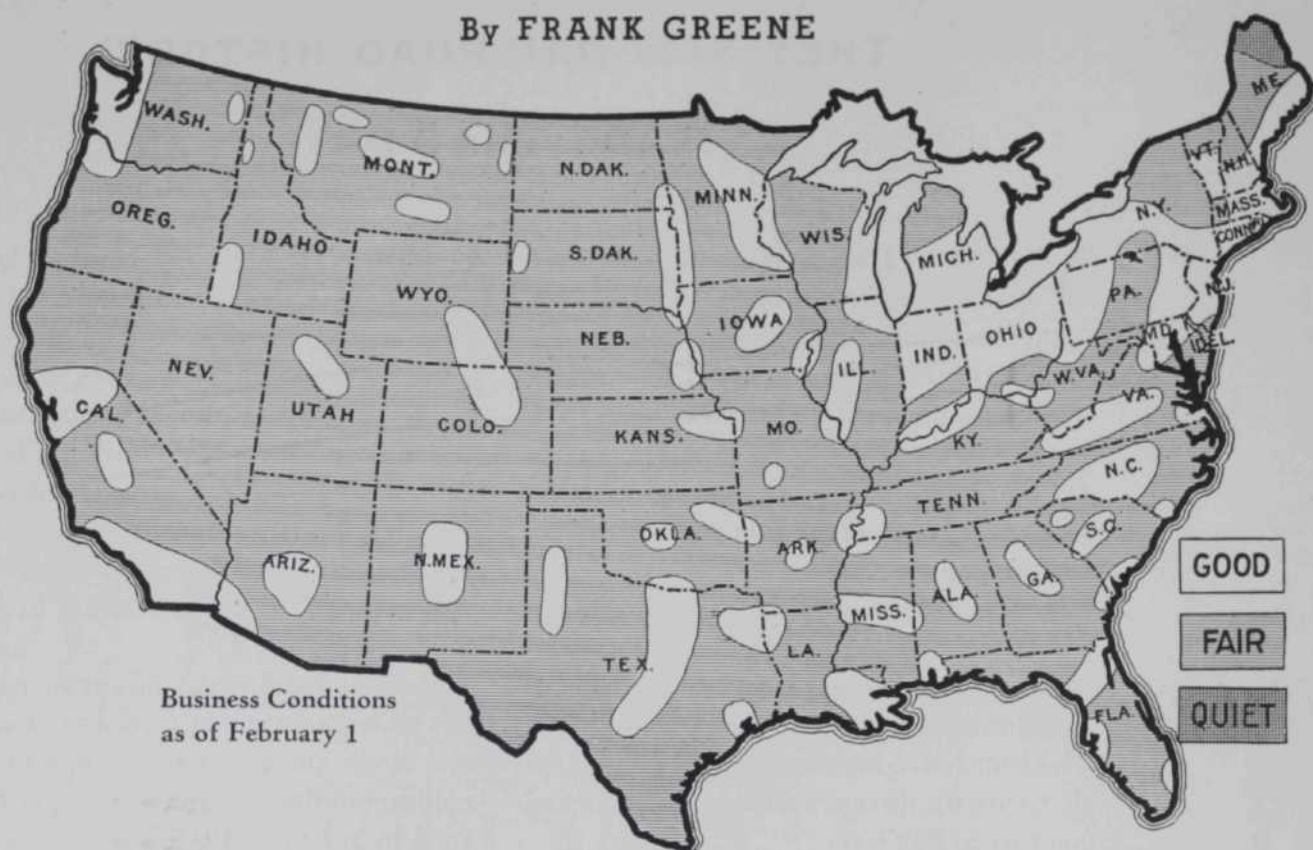
AMERICAN BRIDGE COMPANY • AMERICAN SHEET AND TIN PLATE COMPANY • AMERICAN STEEL & WIRE COMPANY
CANADIAN BRIDGE COMPANY, LTD. • CARNEGIE-ILLINOIS STEEL CORPORATION • COLUMBIA STEEL COMPANY
CYCLONE FENCE COMPANY • FEDERAL SHIPBUILDING AND DRY DOCK COMPANY • NATIONAL TUBE COMPANY
OIL WELL SUPPLY COMPANY • SCULLY STEEL PRODUCTS COMPANY • TENNESSEE COAL, IRON & RAILROAD COMPANY
UNIVERSAL ATLAS CEMENT COMPANY • *United States Steel Corporation Subsidiaries*



UNITED STATES STEEL

The Map of the Nation's Business

By FRANK GREENE

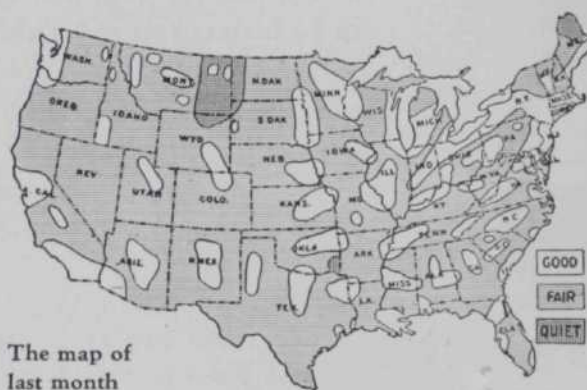


JANUARY witnessed some sharp contrasts. Early retail trade was good in city and country. Later, the voiding of the triple "A," intense cold and heavy snows retarded rural buying. City and town trade did not reflect this so sharply. Cold weather spurred urban buying of winter goods. Most observers stressed snow cover as promising adequate future soil moisture for winter and spring crops. Commodity prices, particularly farm products, moved down.

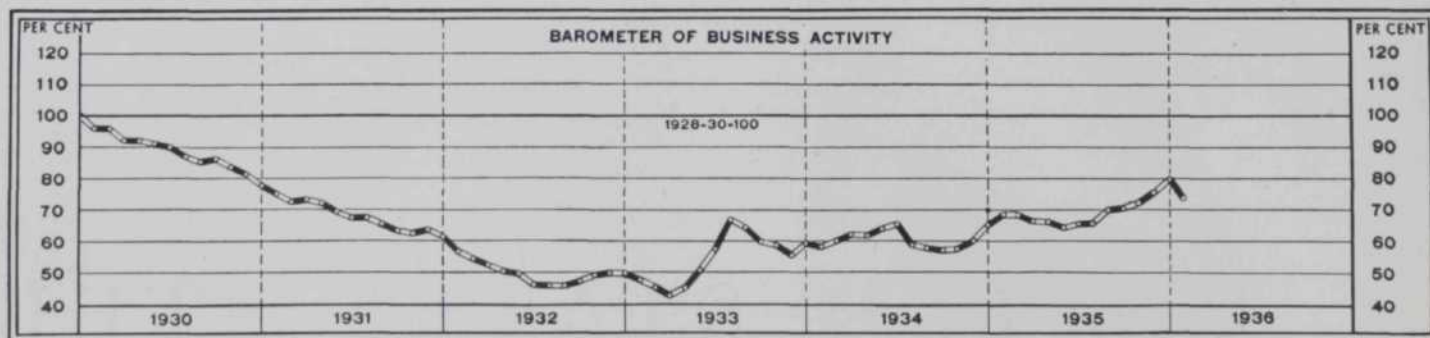
Stock trading was the heaviest since July, 1933; bond trading the largest since 1920. Security prices rose for the tenth successive month. Bank clearings and debits gained heavily over 1935 and dividend payments were the largest since 1931. Railroads reported enlarged gross and net receipts. Failures decreased.

Automobile, steel, lumber and electric power outputs and carloadings exceeded a year ago. Furniture manufacturers reported good buying. Coal consumption and mining were active. World wheat supplies were reduced.

Cold weather and snow-filled roads tended to reduce buying in some western areas and temporarily to shade some earlier gains



The map of last month



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

The January Barometer of Business Activity chart line showed a sharp seasonal declination from the five-year peak that was registered in December

Nobody Loves a Banker

DAMNING the bankers is one of the most commonly accepted privileges of the American public. This is no tribute to their originality. The man with money to lend—whether his own or someone else's—has been a fair target for incrimination since long before Shakespeare wrote "Merchant of Venice."

This is all right with me. I bear no commission to defend the bankers and, on occasion, have added a tenor bleat to the chorus of their condemnation. But when I hear a good story it is difficult to keep me from retelling it. The story of the Dakota cowboy is no exception.

It was in the early 'Eighties when he rode into that country. He had a pony, and riding equipment, a blanket, probably a coffee pot and a capacity for thrift.

After a time he owned some land along the Missouri River. Gradually his holdings grew to 30,000 acres. He raised cattle, as many as 5,000 in a herd. By the time the World War had ended, cautious estimates placed his wealth at approximately \$800,000. About that time he was invited to become a stockholder in the local bank. So he bought ten shares of stock and became vice president and a member of the board of directors.

All for a good name

THAT was all right until 1920 when the bank began to have difficulties. As the difficulties increased he mortgaged his property—as did other stockholders—to raise funds to save it. In spite of them it finally had to close. He used his personal credit to get it open again and to keep it going. It wasn't enough. In the last general banking upheaval, his bank had to close again.

The cowboy is broke today, not because of banking liability laws—he never owned more than ten shares of stock on which the liability was at most \$1,000—but because of intangible things such as his name on the bank's letterhead, the fact that people had faith in him and he wanted to deserve that faith.

This sort of heroism inspires no ballads. It is insufficiently flamboyant. A man who lays down his life for his friends is in a fair way to become a public hero.

A man who lays down his life's savings wins neither plaudits nor consolation. I submit that this is remark-

able in a nation where the volume of banking legislation, the deposit insurance, the Securities Commission and a dozen other things imply that security of property is very nearly as sacred as security of life.

And yet this unassuming heroism that, having undertaken an obligation, will go the limit to fulfill it, is far more common than popular opinion of bankers would have you believe. From the same small section where I picked up the story of the cowboy I found a dozen instances—and I didn't try very hard.

There was, for instance, the story of a man who owned 70 shares of stock in a small Montana bank which closed in 1920. He told the people who were

reorganizing the institution that no depositor would lose a penny. No one did, but it cost him \$200,000 which was all he had.

From the same state comes the story of a wealthy sheep man, stockholder in a bank which first got into difficulties through the need of \$33,000. He guaranteed this amount. As the difficulties increased he pledged his property for other amounts. When the bank finally closed, he put up all his property to protect depositors.

"As the creditors' meetings were being held from time to time," said the man who told the story, "it was necessary for him to appear before the creditors and ask to retain small proceeds from wool and sheep in or-

BELLRINGERS



Summing up NRA

EFFECT of the NRA as seen by Q. Forrest Walker, economist for R. H. Macy & Company, New York, operators of department stores:

(a) NRA succeeded in spreading work, but perhaps an equal or greater number would have been employed without NRA;

(b) Less than one-half of the gainfully employed were under code hour and wage provisions;

(c) Perhaps about 85 percent of the total number of workers under codes received no direct monetary benefit;

(d) *Per capita* weekly nominal earnings were increased about five percent;

(e) Codes gave sanction to monopolistic practices including price

fixing and raised prices arbitrarily;

(f) There was no effective protection of the consuming public from the aggression of "collective monopolies" under code sanctions;

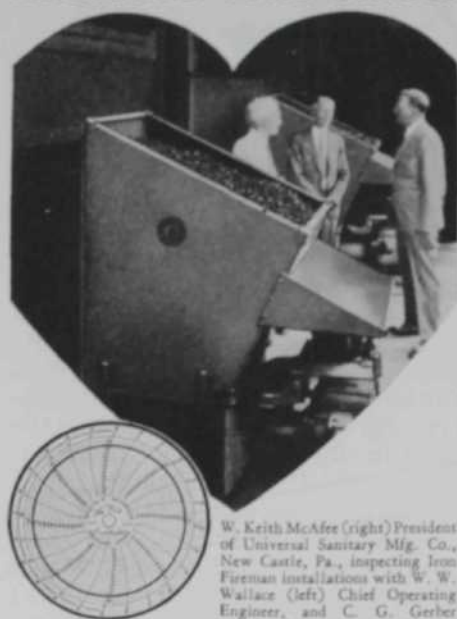
(g) Any gains in nominal earnings of workers under codes were wholly absorbed by increases in the cost of living reasonably attributable to NRA;

(h) The consuming public as a whole suffered a substantial loss in real income.

We may add that price collusion promoted by codes still persists; and that the economic historian will doubtless record NRA as a vital factor among those fostering the continued growth of monopoly and monopolistic practices.

IRON FIREMAN

automatic COAL burner



W. Keith McAfee (right) President of Universal Sanitary Mfg. Co., New Castle, Pa., inspecting Iron Fireman installations with W. W. Wallace (left) Chief Operating Engineer, and C. G. Gerber (center) Consulting Engineer.

...is the very heart of plant modernization

PLANT modernization is the order of the day. At Universal Sanitary Manufacturing Company a plant modernization job involving only the power equipment has cut operating outlay \$1700 per month—\$20,400 a year. A substantial part of this economy is due to Iron Fireman fuel savings and combustion efficiencies. The rest of it is due to other power plant improvements worked out by C. G. Gerber, well-known consulting engineer of Pittsburgh, in cooperation with W. Keith McAfee, President of the company, himself a graduate engineer. Both of these men, whose technical knowledge is authoritative, recognize Iron Fireman's outstanding supremacy in the field it has pioneered.

How much can YOU save?

Let the Iron Fireman organization cooperate with your own staff engineers or consultants to obtain the facts as to what boiler room modernization might do for you. Iron Fireman stokers are giving phenomenal results in factories, institutions, business buildings, homes. Iron Fireman nationwide service insures user satisfaction.

Iron Fireman can be quickly installed in old or new furnaces or boilers. Purchase may be made on a convenient monthly plan or on an F.H.A. loan. The Iron Fireman principle of scientific combustion has been applied with equal success to a complete line of burners for commercial heating and power boilers up to 300 b.h.p. and for residential use. *Literature on request.* Address 3263 W. 106th Street, Cleveland, Ohio. Iron Fireman Mfg. Company, Portland, Oregon; Cleveland, Ohio; Toronto, Canada. Dealers everywhere.



Universal Sanitary Manufacturing Company, New Castle, Pa.

IRON FIREMAN



AUTOMATIC
COAL BURNER

der to buy groceries and clothing. His daughter was to be married and he was unable to provide her with a garment."

This story has a somewhat brighter ending than the others. This man has today accumulated another band of sheep and is starting over again.

In a small North Dakota town a real estate man told a similar story. The Board of Directors of the local bank was made up of fine substantial farmers. He named them, although I shall not.

One owned 1,200 acres of clear land and had more than \$50,000 in cash; the second had 800 acres and \$10,000 in cash; the third, 640 acres and \$25,000; the fourth, 480 acres and the fifth 640 acres. Neither of these had a great deal of cash.

"Every dollar that these men owned was put into the bank to take care of depleted deposits," the real estate man said, "and as their cash reserve was absorbed, four of them mortgaged their farms and put that in also. The reason the fifth did not do the same was that his farm was already pledged to support deposits of public funds. I know this to be true as I negotiated all the real estate loans that were made at that time."

He was silent a little while.

"Misguided as they were, their honesty of purpose can never be questioned, but I wonder if an ungrateful people realize the sacrifice these men made to keep things afloat."

I repeated this last statement to another man. He smiled.

"Did he say they were misguided?"

"That's what he said."

"He said nothing about his own sacrifice?"

"No."

"Well, he has lost everything he had, too, and has to depend on what he can earn. But he doesn't complain. He says he's young yet—only 69—and can still keep the wolf from the door for a long time."

Maybe they were not bankers

BY all conventional standards of humor, these stories ought to be funny. The spectacle of a man of wealth slipping on a banana peel has always been a sure fire laugh getter. Maybe these lack humor because the people in them aren't the sort of people we think of when we talk about "bankers."

That term of reprobation brings to mind a picture of a frock-coated Scrooge sitting at a shining desk foreclosing mortgages. It's easy to hate him whether he exists or not. It's not so easy to hate five farmers, sitting around a table pooling their own goods to save loss to their depositors. Nor to hate the man whose

story they told me in Minneapolis.

He was a professional banker, not a farmer who owned bank stock. In 1922 he owned two banks in western Minnesota and they were making money. In addition he owned several unencumbered farms and considered himself worth more than \$250,000.

He sold those banks for \$125,000 cash, and was footloose after 40 years of labor. He decided that he and his wife had earned a vacation. For a while they lived in a Minneapolis hotel. Then they moved to Florida.

Returning to banking

SOON he began to receive letters from some of his former associates urging him to return and help them as the bank was in difficulties. With drawals of deposits were severe and borrowers, mostly farmers, were unable to pay their notes.

He had no connection with the bank, no liability, but he did have loyalty to former friends and neighbors, and a continuing interest in the institutions he had helped to build. He returned to Minnesota and went to work.

The \$125,000 he had received from the sale of the banks went first. His other property followed. Before the banks were closed he had contributed and assigned everything he owned.

There are plenty of other stories but there is a good bit of sameness about them. In western Minnesota they told me of the bank president with a legal liability of \$500, who sacrificed his personal fortune of \$40,000 and two farms in an effort to save a sinking institution. From Montana comes the tale of a state bank whose stockholders, over a period of years, paid in voluntary assessments totalling 470 per cent on the \$50,000 capital. In northern Minnesota examiners who attempted to revive a defunct bank remember a little old lady, widow of a former director, who brought them \$50,000 in bonds to help the reorganization.

"I don't want our neighbors to suffer any loss through a bank with which papa was connected," she said.

The whole north central section abounds in similar stories. Names and places and amounts vary but the point is always the same. People whose neighbors had trusted them did their best to be worthy of the trust.

Ironically, the sacrifice was usually futile. Banks continued to burst like soap bubbles.

So the only satisfaction most of them have today is that they stayed with the wreck until the end. Sea captains win glory for that.

But who has a good word for a banker?
—PAUL MCCREA

I Talk With Workers

(Continued from page 38)

in Townsendism—that youngest, huskiest child of the depression-born belief that merely to spend money is the quickest way to create wealth.

This same tax-consciousness is apparently making certain church groups worry about heavy government spending. Hard-pressed nations frequently start figuring how to open church doors to the tax-collector. Especially when, to justify such entrance, the "court philosophers" begin to claim that, after all, state well-being is vastly more important than individual morality—also that Government itself can always be relied on to guarantee protection against autocracy!

6 • All of which makes these past ten years look like the "decade of the great face-saving."

From '25 to '29 we all believed that, to hold up our end and save our face with our friends, we had to tell how we, too, had yesterday "bought a few shares of So-and-So Common." Why not? A hundred-twenty million Americans couldn't be wrong!

When later, we found they were wrong, we essayed to save the same old face by blaming our speculations on the money-changers, the leaders, the other fellows—everybody except ourselves. So New Era misbehavior became New Deal mistrust, penitence, defeatism—just as the tired, discouraged Individualist becomes the zealous Socialist, and the embittered one, the revengeful Communist.

It is safe to predict, therefore, that reviving business will revive our old-time faith in ourselves for moving in on middle ground between Super-Individualist New Era and Super-Collectivist New Deal—for facing once again the age-old impossibility of substituting any system for an honest heart inside upright, God-fearing, square-dealing individuals.

Certainly it will be a national tragedy if, as now appears, the campaign is to be a battle on behalf of the "Have-nots" against the "Haves." Vastly more helpful to all would be one-tenth of such a battle's energies devoted to substituting Government and Business for the present Government *versus* Business—by pressing on "with malice toward none and friendship for all," toward the fulfillment of the world's best—almost its final!—dream of genuine, cooperative democracy.

NEARLY DOUBLES FIGURE OUTPUT

Estimating prices for American Can Company shows economy of "Velvet Touch" Monroes



THE LA MODEL MONROE IN FOREGROUND IS FIGURING RATIO OF 1000 BODIES TO A BASE BOX. MONROE AUTOMATIC DIVISION HAS NEARLY DOUBLED FIGURE OUTPUT.

WHEREVER you go in the American Can Company, you will find Monroes: in the Manufacturing, Budget, Accounting, and Sales Departments in New York, and in many of their plants throughout the United States and Canada. Among the 197 Monroe models, there is a machine exactly suited to every kind of business figuring.

Back of every Monroe machine, from Maine to California, is the service of a Monroe-owned branch. Whether you use one

or a thousand Monroes you are assured of continuous figure operation.

All Monroes (adding-calculators, listing machines and bookkeeping machines) are desk-size, portable, and speedy; and they all have the famous "Velvet Touch" keyboard that takes the fatigue and strain out of figuring.

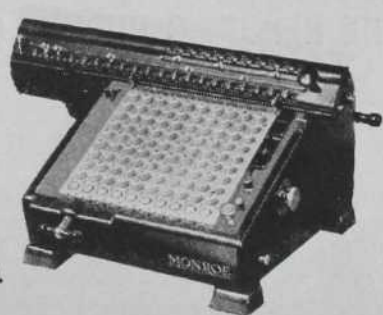
It will pay you to see a "Velvet Touch" Monroe at work on your own figures; no obligation. Phone the nearest Monroe branch or drop a line to the factory.

This Electric Monroe (Model LA-6), takes less desk space than a letterhead. Portable, weighs less than 17 pounds. Divides and multiplies automatically.

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Unfair Trade Practices

By JOHN W. O'LEARY

President, Machinery and Allied Products Institute

BLOSSOMING in part from the Federal Trade Commission's recommendations, contained in its last annual report, two bills are now before congressional committees which would vastly extend the scope of that Commission and add to its present purposes. The bills, introduced in the House by Representative Rayburn and in the Senate by Senator Wheeler, would amend the act under which the Commission now functions and parallel each other in their terms. Among the more significant amendments proposed are the following four:

Amendment of Section 5, which now reads "unfair methods of competition in commerce are hereby declared unlawful," to cover also "unfair or deceptive acts and practices in commerce."

Placing the burden of appeals from orders of the Commission upon persons or companies subject to those orders.

Extension of the Commission's investigational powers, which now apply only to the affairs and records of corporations, to persons and partnerships.

Conferring upon the Commission so much of Congress' auxiliary power to obtain information in aid of legislation as may be necessary to carry out the Commission's investigational functions.

Additional amendments are proposed but let us confine ourselves to these four more or less innocent-appearing changes and explore some of their implications.

Take the proposed amendment of Section 5, which would declare deceptive acts and practices, as well as unfair competition in commerce, unlawful. This, the only one of the three amendments definitely sponsored by the Commission, is desired by that body "in order to give the Commission clear jurisdiction over a practice which is unfair or deceptive to the public and is not necessarily unfair to a competitor."

As its statement implies, the Commission would be enabled by this amendment to enter a field from which the courts have heretofore barred it. Under the present law commission jurisdiction has been confined to unfair trade practices which injure competitors as well as the public. Now—no doubt with a sincere desire to serve the public better, but also with the usual bureaucratic grasping for more and more power—it seeks the greener pasture which lies just over the fence, a pasture of practically boundless extent.

"Unfair or deceptive acts and prac-

tices"—who can define them or delimit them?

The language is delightfully vague and should provide an even more fertile field for litigation than the present phrase of the law, "unfair methods of competition in commerce." Since the present law's passage in 1915 the federal courts have been ruling on what *that* means and there is still no precise definition.

About the best the courts have been able to do is to say that they are those methods which are already prohibited by law. But to include as is now proposed, "unfair or deceptive acts or practices" is to open a truly tremendous range for the Commission's agents and activities, to release another punitive agency of the Federal Government in a field where statute law and such federal agencies as the Food and Drug Administration already afford the citizen protection, and to face business with new and vast uncertainties as to what is or is not legal.

Arbiter of all business

MOREOVER, by allowing the Commission to embrace other than competitive practices, the proposed amendment would permit it to become the arbiter of acts of individual businesses and business men, setting up and enforcing its own standard of morals upon those individuals regardless of prevailing standards of practice in their fields of enterprise.

Individual businesses, following standards of practice developed through competitive group action and in the public interest, would be subject to punitive or coercive dictates applying only to them and without application to the groups with which they compete. Truly an autocratic power to delegate to a commission, attended by all the dangers of misuse of such a power!

Further, extension of the Commission's activities into these new fields of consumer protection—and present law, were it courageously and properly utilized, affords the Commission more leeway there than it has thus far seen fit to utilize—would require a potentially enormous enlargement of the Commission's staff and expenses. It is pertinent to point out here that these last are currently

ranging between \$1,500,000 and \$2,000,000 a year.

It should be remembered that the Commission was originally created to deal with the trust problem, the problem of monopoly and restraint of trade. Dissipation of its energies in new pursuits inevitably will weaken its usefulness in its original field.

Another abrupt departure from current practice is contemplated in the second proposed amendment. Under the present law, should a company disagree with the legality of a Commission ruling or order against it, it simply does not comply with the ruling or order and the Commission brings suit in a federal court to enforce compliance. This would now be changed to transfer the burden of appeal from the Commission and to the company. The latter would either have to comply with the Commission's order or seek court review of that order within 60 days. Should it not do so within that time it becomes liable to a penalty of \$500 for each violation thereafter and of \$25 for each day such violation continues.

More extensive investigations

SO MUCH for the first two amendments proposed in the Wheeler-Rayburn bills. The other two amendments which we are here considering, relating to the Commission's powers of investigation and inquiry, are, if anything, even more sweeping.

By extending these investigatory powers to cover persons and partnerships, as well as corporations, every firm and every individual engaging in interstate commerce would be subject to such investigations, questioning and reports as the Commission sees fit to order.

Likewise, "all documents, papers, correspondence, books of account, and financial and corporate records" of every such person, partnership or corporation being investigated could be reached by the lengthened arm of the Commission. That arm could reach even further, for, under the changes proposed, all such papers of any other companies or individuals could be subpoenaed provided they related "to any matter or any person, partnership or corporation being investigated."

But the Commission's arm would not only be lengthened by the Wheeler-Rayburn bills; it would be armed with a bludgeon which heretofore has cracked every head raised against it. This formidable weapon, Congress' own power to obtain information in aid of legislation, would be conferred upon the Commission by the fourth and final amendment here considered. Congressional committees have recently demonstrated how sweeping

DEATH STALKS THE HIGHWAY

But He Is Not Looking For Members Of THE "NOT-OVER-FIFTY" CLUB

Death lurks at the wheel of many cars, but not in the car where the little red arrow on his speedometer warns the driver never to drive over 50 miles an hour on the open highway. Speed is the killer. Over 64% of auto accident fatalities occur on rural highways.

On signing the safe-driving pledge each driver gets the "NOT-OVER-50" arrow for his speedometer, window transfer, membership card. *Everything is free.*

As a contribution to the safe-driving movement Lumbermens originated the "NOT-OVER-50" Club for all drivers whether insured in this company or not. Through this club, Lumbermens plays an important part in the national safety drive to make motoring safer for everyone—insured or uninsured. The "NOT-OVER-50" Club protects you against "the other fellow."

Since 1912 Lumbermens has paid substantial dividends to its policyholders because it has been careful in selecting drivers to insure in the first place—and then has reduced risks still further by helping them to avoid accidents.

Important To Fleet Owners

Every owner of a fleet of cars should enroll his drivers in the "NOT-OVER-50" Club. He will then know that each driver is being constantly reminded by the red arrow on his speedometer not to drive over 50 miles an hour.



Not-Over-50 Packet FREE

Write today for free sample of the "Safety Packet" and complete information; or ask the Lumbermens representative in your community.

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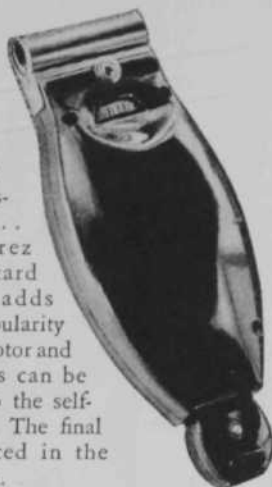


LIGHT-IN-WEIGHT, WEAR-PROOF

Nothing takes tougher punishment than that 24-hour-a-day servant, the telephone. But hard, breakage-resistant Durez assures long life for the instrument and provides a lustrous, attractive, permanent finish. Base, handle and other fittings are molded complete in one operation, with wear-proof lustre automatically produced.

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Compact, light in weight, and pleasant to the touch... the molded Durez case on the Packard Lectro-Shaver adds greatly to the popularity of the unit. The motor and wire connections can be molded right into the self-insulating Durez. The final finish is produced in the molding operation.



Manufactured by Dictograph Products Company, Inc.; distributed by Progress Corporation, New York, N. Y.

DE LUXE PACKAGES



Molded Durez packages make Hickok studs look like a collection of precious jewels. Durez boxes cost little more than conventional packages... yet have a far richer appearance. Their permanence and pleasant "feel" will swing many a sale your way.

DUREZ is a hot-molded plastic, simultaneously formed and finished in steel dies. Strong, lighter than any metal, non-metallic, heat-resistant, and chemically inert, its finish can't rust or wear. There are 307 Durez compounds, each with a specific use. When you consider molded plastics, let our technicians specify the proper compound for the job. Write (telling us what you make) for monthly "Durez News." General Plastics, Incorporated, 153 Walck Road, North Tonawanda, New York.

DUREZ

this power to compel attendance of witnesses and production of the most private papers can be, constitutional guarantees as to the security of the citizen in his person, papers and effects notwithstanding.

Buttressed with this unprecedented delegation of congressional authority, are there any limits beyond which the Commission's inquiries might not reach, any rights of privacy—or what have heretofore been considered rights of privacy—it might not invade? This is power such as no other federal executive agency past or present—not even NRA—has ever had. It is power that has been used by congressional committees, as every newspaper reader knows, to smear reputations, to play politics, to promote and publicize causes. To confer similar power upon the Commission is to invite similar use of it, a new star chamber for business.

Those members of business organizations that supported the establish-

ment of the Commission will recall that they expected it to serve a far different purpose. They envisioned it as an agency which would remove some of the uncertainties surrounding antitrust laws through advance rulings or advice concerning the legality or illegality of projected business transactions and undertakings. President Wilson himself expressed something of this thought in a message to Congress in 1914, but the final act contained no specific provisions to this end. True, a rather feeble step in this direction has since been taken by the Commission through its trade practice conferences, but business still lacks clear guidance as to what the antitrust laws permit and bar. If any amendment to the Act is needed, it is one which will permit the Commission to function more effectively along this line originally envisaged for it, rather than amendments which will carry it into a new field.

Business Highlights and Sidelights...

What is industry?

POLITICAL exhortation toward reduction of unemployment boils down to the idea that "industry" should absorb the country's jobless millions. Quite apart from the unanswered question of how many persons are unemployed is the riddle of what is meant by "industry." If "industry" means all business activity, then it is possible to argue that the unemployed could be restored to jobs were the volume of trade to return to its 1929 level. But if "industry" means manufacturing only, the fallacy of expecting a complete absorption of the unemployed is readily apparent by reference to the situation in 1929.

The conclusions, the National Industrial Conference Board believes, take their direction from these pertinent questions:

How many persons did manufacturing industry employ in 1929; how many could it employ now; and how many does it employ? According to the census there were on the average, in the year 1929, 8,838,743 wage earners employed in manufacturing plants. This, however, is an average. At the maximum month of employment, September, the pay roll numbered 9,188,768 wage earners. Manufacturing, however, in that year also employed a large number of salaried officials, who, together with owners and proprietors, numbered 1,491,985. Added to the maximum number of wage earners, the whole number of

persons engaged in manufacturing amounted to 10,680,753.

The Census of Occupations of 1930, in its classification by industry groups, indicates that, excluding the independent hand trades and the building trades from the group "manufacturing and mechanical pursuits," there remained 11,400,000 persons who claimed gainful occupations in manufacturing proper.

Assuming that there was no sickness, that seasonal fluctuations could be eliminated, that number represents the maximum number that manufacturing industry could have employed before the depression.

Assuming that the production of 1929 would require the same amount of labor of all kinds as was used in that year, how many unemployed workers could manufacturing industry reasonably be expected to absorb with a restoration of the 1929 production level? Obviously, the difference between the number now employed and the maximum of 11,400,000. According to the estimates of the Board there were in November, 1935, about 8,900,000 persons employed in manufacturing industry. This means that a restoration of the production of 1929 would, at most, provide employment in manufacturing industry to about 2,500,000 more workers than are now employed in it. This is approximately the number which the Board estimates to be unemployed in manufacturing.

But is this a sufficient answer to

the problem suggested? Is it proper to ignore the fact that the potential gainful workers of the population of 1934 are more numerous than were the gainful workers of 1930? Restore the employment of 1929 and there would still be unemployed, according to the estimates of the Board, as many as 1,900,000 new workers. Normal conditions should provide employment for them, but it is somewhat hazardous to say in what occupations they would be engaged. If the distribution of the working population under assumed normal conditions in 1935 were the same as in 1930 and if there were a maximum of 11,400,000 engaged in manufacturing industry in the earlier year, manufacturing should, in 1935, have provided employment for 11,800,000. Since manufacturing employed in November, 1935, only 9,000,000, it falls 2,800,000 short of this mark. This then is the maximum number of the unemployed that manufacturing industry might reasonably be expected to absorb.

By this reckoning the assumption that "industry" is delinquent in public spirit by the test of its employment totals becomes, perversely enough, more figurative than real.

A pay roll nobody knows

HOW to measure the public service pay roll is a problem that has got no farther than a general agreement that it is the country's longest. No trustworthy estimate has ever been made, says Lucius Wilmerding in "Government by Merit" (McGraw-Hill Book Company, New York) published as Monograph 12 of the Commission of Inquiry on Public Service Personnel. Some notion of its magnitude is possible by piecing together reports of government agencies.

On June 30, 1935, there were 719,440 civilian employees in the executive branch of the Government, according to the annual report of the Civil Service Commission. An estimate by the Department of Commerce for the year 1931-1932 discloses a total of 2,032,000 state and municipal employees, including 1,189,000 teachers. If the 312,000 county, township, and district employees reported by the Bureau of the Census for the same year be added, an aggregate of more than 3,000,000 permanent full time government employees is in view.

What this figure means is a question with its own perplexing obscurities. As Mr. Wilmerding reads it, "Vast numbers of civil servants are but a reflection of the number and complexity of governmental functions. As these increase or decrease, so will the numbers of civil servants."



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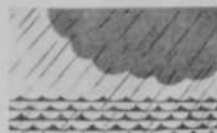
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WOOD CONVERSION COMPANY
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My problem is one of.....

Please tell me what Balsam-Wool can do to solve it.

Name

Company

Address

... If Government assumes functions beyond those which it ought to assume, the fault is to be sought in the legislative and political personnel, but not in the civil service."

All well enough to say that "the total number of civil servants is at best but a quantitative index of the importance of government as an element in the social structure." Where the citizen is to look for a qualitative index is another and still unsatisfied concern.

Reasons for the three R's

WHY am I being given an education? is no academic question to the New York State Chamber's way of thinking. It asked 375,000 school children in New York City for answers and awarded 208 prizes for the essays adjudged the best. An older generation can find hope and encouragement in the fact that the young contestants revealed a lively awareness to intelligence and character as ruling forces for self-government.

To put a value on this individual quest of the meaning of public education is neither possible nor needful. That self-examination by a representative cross section of the population revealed its schooling not as "an affliction visited upon youth as the

result of a cruel conspiracy among the elders," but rather as a training for citizenship is as much a matter of public satisfaction as it is of public interest.

Ingenuity in fetters

HOW to keep the patent channels free of congestion is the problem tackled by a special committee of the President's Science Advisory Board. Present difficulties are traced to three basic causes:

The first defect arises by reason of the issuance by the Patent Office of an enormous number of patents, many of which should never be issued, due primarily to an unduly low standard of invention. The second defect has to do with the excessive cost and delay in the litigation of patents, by reason of the present system of appeals. The third results from the difficulty met by the courts in handling scientific or technical questions without competent non-partisan assistance.

Recommendations toward improvement include publication of patents in the Official Gazette of the Patent Office as a means to eliminate thousands of duplications of old ideas and much litigation at the source; creation of a patents court with judges qualified in technology as well as in law; a corps of specially trained advisers; and a tax on all patents, the

BELLRINGERS



FOR NATION'S BUSINESS BY W. L. HAMMER

Paying the Stockholders

GENERAL ELECTRIC quarterly dividend checks mailed in January to 185,744 stockholders, 3,128 a-broad, weighed five tons.

Postage cost \$5,000.

Twenty-five special clerks and two check-writing machines required, 30,000 checks written each day and verified with records.

Checks sealed, metered, bundled and trucked to postoffice. Customs duty stamps required on all envelopes going into Canada.

Postoffice sorted bundles, and made into new bundles. Held under guard until 3 o'clock of release day.

All checks were put in mail at the same time.

amount to be increased annually as a way of eliminating "dormant" patents through tax delinquency.

As for the proposal to abolish the patent system altogether, the committee believes that the demonstrated benefits of the system argue salvation by reform. Complete abolition needs no eloquence to plead its cause as an effective, if drastic, remedy for congestion.

A dissenter could argue, of course, that the logic seems of a piece with the reasoning of the man who kicked out all his windows because the fly specks made the neighbors look so freckled.

Reductio ad absurdum

WHAT constitutes citizenship on the American plan puts every man to his own definition of civics. That qualification has been tested with questions as tricky as irrelevant, examples from the examination of alien candidates richly reveals.

How high is the Bunker Hill Monument?

How many legs has the Constitution?

What has Ireland been fighting for?

How long does a Representative sit?

Can Congress make a law to put me in jail for 40 years?

How many stars are there on a quarter?

If a person has seven children would he have to pay for public schools?

If the law isn't signed, may it be a good law?

The humblest citizen, it would seem, could do a better job of enquiry into fitness for citizenship.

Taxes on the pay rolls

THE article we printed in February by P. W. Litchfield of the Goodyear Tire and Rubber Company, "Why 40,000 Persons Have Jobs," brought out a great deal of comment on the ratio between taxes and pay rolls.

The average pay per employee (including, of course, their workers in foreign rubber plantations) was \$1,089. The average taxes per employee was \$453. Mr. Litchfield said, "A 100 per cent reduction in the stockholders' return could have added only ten per cent to his wages, but a 50 per cent reduction in taxes could have added 21 per cent to his wages." In other words, taxes took roughly four times as much as the owners of the business, or 42 per cent as much as the workers in the business.

That this is not an isolated trend is shown by the humanized balance sheet of General Foods Corporation which NATION'S BUSINESS printed last September. Their taxes were \$590 per employee and average pay \$1,200. These taxes are 49 per cent of the money received by employees.

ON \$100 A MONTH



You can live in
Health-giving NORTH CAROLINA
—the land of the long-leaf pine

Climate has been kind to the citizens of the hospitable "Tar Heel" state. The clean, bracing air of her mountains and pine forests—the cool summer nights and mild winters—have won world-wide fame. Thousands have moved to the country around Pinehurst—and to "The Land of The Sky" around Asheville—to find health, rest and recreation.

Living in a land like this might add many happy years to your own life—for there's wonderful hunting, fishing, fine hiking and camping, magnificent scenery and cozy little cottages with gardens where you can live comfortably on \$100 a month.

If you are like most people, you cannot live in such a *Leisure Land* now. You must be where your work is. But that's no reason why you cannot retire from business or professional life, some day. By starting a Northwestern Mutual Retirement Plan soon enough, you can have the means to retire when you are 55, or older. You can then count on a

monthly check from the Northwestern Mutual for \$100, or more, for the rest of your life. You can live in the "Land of the Long-Leaf Pine," some other American Wonder Spot, or your own home town.

This is the thrifty way to reach *Leisure Land*—the plan that really works. But it can't possibly work for you, if you don't start it. You can put off planning for the future, but you can't put off old age!

Write for the "Wonder Spots" Book

This is a 32-page booklet, describing and illustrating many American Wonder Spots where you can live comfortably on \$100 a month.

It is published by the Northwestern Mutual Life Insurance Company, which in the last 79 years has paid more than 850 million dollars to its policyholders or their beneficiaries.

THE THRIFTY WAY TO *Leisure Land*

THE NORTHWESTERN MUTUAL, Milwaukee, Wisconsin
Please mail "Wonder Spots" booklet.

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How much income can I have at age 60 if I lay aside \$..... a month?

65
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The assets of the Northwestern Mutual, as reported to state insurance departments, now total a billion dollars—a great estate administered for the mutual welfare and protection of more than 600,000 policyholders with over three and a half billions of insurance in force.

A Matter of Adjustment

(Continued from page 48)

stacked deck of cards. If he couldn't handle Donnan now he'd better quit.

So eager was David to tackle Donnan with this secret information that it was not till after breakfast next morning that the bothersome little Slocum-Brice errand occurred to him.

"May as well get that off my mind before I forget," he decided. "Then I'll be all set for the big show."

He found Slocum-Brice on the second floor of an unpretentious building in marked contrast to the reputation they bore as fine engravers. There was an air of old-fashioned courtesy and leisure about the place.

"The Wright Roofing job?" an attentive clerk repeated David's curt inquiry. "Just a minute, sir. Mr. Brice will want to talk to you about that himself."

The gentleman in question proved to be an ancient, wizened, courtly little man wearing a skull cap, eye glasses attached to a wide, black ribbon, and the only pair of round, detachable cuffs outside a museum. Indeed, he seemed so much of a museum piece himself that David was somewhat startled by the youthful smile that slid the years off his face when he proffered a thin, gnarled hand across the counter.

A slight imperfection

"GLAD to explain to you personally instead of by letter," he began. "Your order was completed only last night, when—"

"Done, is it?" beamed David, placing his hat on the counter and wiping his forehead. "Then I'll take it right along with me."

The other hesitated. "It's very embarrassing," he said, "but our final inspection this morning disclosed a slight error in the plate. The top line with the phrase, 'It's Wright—Or It's Wrong'—an admirable slogan for these days, if I may say so—that top line didn't register perfectly. I'm afraid it will require three or four days more to do the work over properly. I'm very sorry. I can't see how it ever happened. Of course we shall work nights."

"Well, but—do they look very bad?" said David. "We need 'em right away. If it doesn't show much—"

"Just a moment, sir."

While David drummed impatiently on the counter, a clerk was sent for a sample of the finished work.

David bent over it eagerly, then straightened up in relief.

"What's wrong with these?" he demanded.

With a deft flip Mr. Brice produced a magnifying glass.

"Why, you see that 'W'—the down stroke? Never do. Never."

"Good lord!" David burst out, "nobody's going to squint at 'em through a microscope. Why, they look fine, Mr. Brice. Plenty good enough. Just have 'em wrapped up so I can carry 'em, will you?"

Strangely enough, the little man stood perfectly still.

"I can assure you," urged David a little stiffly, "that I'll be responsible."

A reputation for good work

MR. BRICE spread his wrinkled hands on the counter and shook his head stubbornly. "Pardon me. It isn't that I doubt your authority. But we're the ones responsible. We never send out imperfect work. That has been our policy for 25 years. Indeed"—he drew himself up an inch or two—"we've built something of a reputation on it."

David stared at the man in amazement until anger overcame his first desire to laugh.

"You—you mean you *refuse* to let me have 'em?" he exploded.

"I'm very sorry," came the courteous reply, "but I'm sure Mr. Wright will understand. That is, if your own slogan means what I believe it does."

David's face turned the color of his hair. He started to speak, closed his mouth and, in a wave of red rage, walked rapidly to the door.

"Your hat, Mr. Finley," called Mr. Brice.

Perhaps nothing punctures a young man's hasty rage quite so neatly as forgetting his hat. In David's case the deflation was painful and thorough. His anger collapsed as quickly as it had arisen.

Sheepishly he retraced his steps, accepted the hat gingerly—and found his hand grasped in a powerful, if wrinkled, grip.

"And if Mr. Wright shouldn't understand," the little man was smiling as though nothing had occurred, "we can depend on you to explain things, can't we?"

The motto sinks in

IN spite of himself David grinned back.

Then his eye dropped to the an-

nouncement which still lay on the counter between them. "It's Wright—Or It's Wrong." That top line seemed to leap up at him like a challenge instead of an amusing catchphrase.

And the challenge kept working its way into his brain while he was mumbling some inanity to Mr. Brice and making his way down the grimy stairs.

He stood in the street a moment uncertainly, then walked back slowly to his hotel. Here he checked out and stepped resolutely into a telephone booth.

"Mr. Donnan?" he heard himself say. "This is David Finley, of Wright Roofing. . . . Yes, sir, I saw that carload last night. . . . Beg pardon? . . . No, it isn't very bad but it isn't up to standard. Not our standard anyway. Only thing to do . . . No, sir, it isn't a question of adjustment at all. I'm shipping the car back to the plant."

He dropped the receiver limply into its hook.

"Well, Finley," he reflected gloomily as he piled into a taxi to go to the station, "you've got four hours ahead now to try to figure out how many kinds of a damn fool you are, anyway."

Reporting the adjustment

MARTIN WRIGHT, golfer, was preparing to leave for a few holes late that afternoon as David Finley tramped into the outer office and headed down the corridor toward the end door marked, "President."

The Old Man turned.

"Hello, Finley, come in. Never mind. The game can wait."

"Now then," he said, settling into his big desk chair, "what did you do with Donnan?"

"Told him we'd take the car back, sir."

"What?" Amazement spread over the big man's face. "Couldn't you get anything better than that out of him?"

David shifted to the other foot. Something happened to the lines of his jaw.

"I didn't try," he said. "It wasn't up to standard."

"Oh."

The President swung around and silently studied the antics of a switch engine visible through the window.

"Finley," he said at last, as though apologizing to the switch engine, "I may as well admit that I had a pur-

pose in sending you out on that job. It was a—a sort of test."

"I know." David smiled grimly, wishing that the other would hurry up and explode, if he were going to.

But instead, Martin Wright suddenly swung back and faced him without the slightest trace of anger. On the contrary, he was beaming with good nature.

"What you didn't know, though," he announced with a note of triumph, "was that I arranged with my friend, Donnan, to have them show you the wrong car."

A matter of right and wrong

HE stopped to watch the effect of this on David's face. His smile broadened.

"I've been looking around for an assistant," he explained, jerking a thick thumb toward the framed slogan back of him, "who knows the difference between right and wrong. I think I've found him."

The blood had left David's face so that his freckles stood out absurdly against their pale background. He gripped the chair-arm behind him with both hands and stared at the slogan, "It's Wright—Or It's Wrong." The Old Man applied it to roofing material—but how about men?

Was it fair, he wondered, to put up a game on a fellow? He had a disturbing flash of himself as Assistant to the President helping the Old Man set a shrewd trap for some other fellow who might not be as lucky as he had been.

Did he want to do business that way? Was it worth it?

But why not? Common sense told him that he ought to jump at this chance. Then why couldn't he—instead of standing here like a dumb oof?

"Well, well, Finley, what d'y'say?" boomed Martin Wright at last.

David swallowed and found sudden inspiration.

"Do you mind if I sleep over it?" he asked.

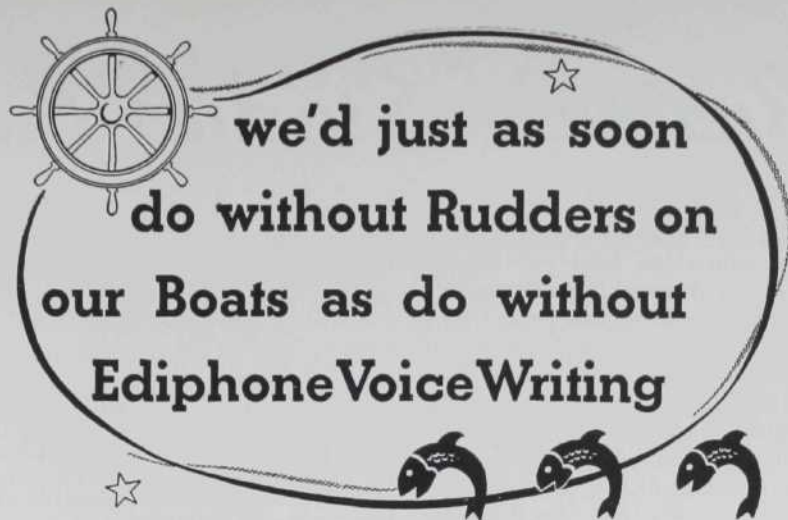
Company rumors again!

"My dear," said Miss Batten to Miss Taub, as the two stenographers sat addressing the belated announcements for the opening of the new building, "have you heard about Mr. Finley?"

"Sure. I'd quit, too, if anyone put up a game like that on me."

Miss Batten looked at her friend scornfully and reflected the sentiment of at least half the room: "Well I think the man made a perfect fool of hisself."

"Yeah?" countered Miss Taub, speaking for the rest of the office, "which man?"



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Business Studies the Railroads

MORE favorable prospects for railroad consolidation held out by the general improvement in business conditions are advanced in a report by a special committee of the Chamber of Commerce of the United States as a reason for reconsideration of legislation on the subject.

The committee's report, following several months' study of the situation, recommends that the principle of voluntary consolidation be preserved, that the requirement that the Interstate Commerce Commission establish and maintain a comprehensive plan be abandoned, and that, with a view to eliminating wasteful competition and furthering efficiency of railroad service, voluntary consolidations be permitted subject to the Commission's approval.

The recommendations are in accord with ideas contained in the recent report of Transportation Coordinator Eastman in which, referring to the comprehensive consolidation plan, he suggested that "it would seem better to eliminate these elaborate but impractical provisions and provide simply that consolidations or other unifications may be authorized to the extent that it can be shown, to the satisfaction of the Commission, that they will promote the public interest."

The matter involved in consolidation of railroad lines or systems is not to be confused with unified ownership or use of terminals which Mr. Eastman has announced he intends to order in a number of smaller cities under the Emergency Railroad Transportation Act of 1933. The Interstate Commerce Commission has had authority over joint use of terminals since 1920 but has seldom used it.

The great difficulties which the Commission has experienced in large scale planning under the consolidation provisions of the same Act are outlined by the Chamber's committee:

When the final plan was issued providing for 21 systems, many of which differed widely from the 19 systems of the tentative plan, it was soon seen to be far from a practical basis for grouping all the country's railroads. Even the Commission's report making it public indicated the probability that it would require modification. In 1932 the Commission accepted an important change in the plan, making four instead of five systems in eastern trunk-line territory as advocated by most of the railroads involved. For western and southern terri-

ties, except for the acquisition of the Cotton Belt by the Southern Pacific, the 1929 plan remains as issued and is generally recognized as far from satisfactory—in fact, it seems to be in considerable part unworkable.

It appears that more actual progress has been made as a result of the natural developments on the initiative of the private interests concerned than from the efforts at comprehensive planning by the Government. As a matter of fact, this was to be expected, since the executives in responsible charge of businesses are generally much better qualified to work out practical plans than are government officials, even those belonging to such a highly regarded organization as the Interstate Commerce Commission.

Aside from the difficulty of preparing

A Committee of the United States Chamber makes some practical suggestions for consolidations which will benefit both railroads and customers

at one time a single plan for all the railroads, a practical consideration is that the situation of the component railroads and their relative importance as parts of different systems are constantly changing. As a consequence, a comprehensive plan, even if the best that could be devised at the time, is likely within a few years to become unworkable. In other words, railroads, together with their allied transportation facilities, are living, growing organizations which should be permitted to adapt themselves to changing conditions.

Discussing the conditions under which the Commission should be authorized to approve particular consolidations as meeting the public interest, the committee states:

The question as to the extent to which competition should be preserved as between proposed consolidated systems calls for special consideration. The law since 1920 has required that, in the division of the railways into systems under the comprehensive plan, "competition shall be preserved as fully as possible."

Any present study of this question must consider the changes that have taken place since 1920. During this period, highway transport has developed from practically nothing to an important factor in the country's general transportation system. There has been a substantial revival of commerce on the inland waterways and the intercoastal traffic has multiplied many times. Air transport has also been inaugurated and increased rapidly. Obviously any aspect of monopoly has disappeared from a large portion of railway business. The natural

interest of shippers and the general public in the lowest possible rates and fares is largely shared by the carriers. Elimination of duplication and unnecessary costs in rendering of service has, therefore, from every viewpoint, assumed importance overshadowing that of maintaining competition between railroads.

Furthermore, it is to be borne in mind that, as railroads have widened the extent of their operations through use of other forms of transport, the overlapping of the areas served by different systems has increased and competition between them has been accentuated. With this natural increase in competition, it becomes less necessary to maintain competition artificially between the rail systems by action of public authority.

These conditions accentuate the need for solution of the problem of excessive competition in those areas where a number of lines render parallel service. Every effort should be made to meet such problems constructively by building up traffic through increased efficiency and attractiveness of service but a complete solution of many situations clearly requires some degree of consolidation among competing lines.

Taking account of the changes outlined and also the financial necessities of the railways as a whole it has been suggested that all competition among railways should be eliminated and that they should be consolidated into regional systems or even into a single system for the whole country. Your Committee does not favor such a sweeping change for the entire rail system, although regional consolidation in companies will be desirable.

Reasonable reduction of competition, to such extent as is necessary to permit the railroads to accommodate themselves to changed conditions and to obtain greatest practicable economy and efficiency in their operations, is obviously desirable.

As to the benefits to be derived from consolidation the report says:

The Chamber's membership has recognized in repeated declarations that proper consolidations offer important opportunities for improving the situation of the railroads and their effectiveness as the central part of the country's whole transportation system.

While some of the plans recently proposed are so sweeping as to be of doubtful desirability or practicability from the viewpoint of carriers, shippers and the general public, and while some of the estimates of savings have undoubtedly exceeded the possibilities, the committee believes that economies and improvements to be gained by reasonable and proper consolidations will benefit all interests concerned.

It should be emphasized that the benefits to be gained will come not only through eliminating duplications and wasteful service. On the contrary, the committee attaches even greater importance to the opportunities which a settlement of consolidation problems will open up for railroads to improve and expand their services by adopting the most modern equipment and methods.



From Penthouse to Cellar



FEW PERSONS realize how many of the comforts, luxuries and safeguards of modern living have been made possible by products of creative chemistry. In a large apartment building there are scores of uses for one group of materials alone, those identified by the trade name "BAKELITE".

In a penthouse dwelling there may be wall paneling, table tops and lamp standards of rich, lustrous Bakelite Laminated. On the terrace, furniture upholstered with fabrics weather-proofed with a flexible Bakelite Resinoid. Swift automatic elevators are controlled by devices insulated with other Bakelite Materials. Elevator cars may be paneled with Bakelite Laminated in special colors and designs.

Below ground, where the machinery for light, heat and power is hidden, you will find Bakelite Materials everywhere. Electrical switch operation is made safer through using Bakelite Molded. Control and indicating instruments are more dependable because insulated with Bakelite Materials. Walls and floors are easily kept spotless when finished with enamels and varnishes based on Bakelite Resin. Surely it is evident that Bakelite Materials are indeed essential to modern living.

*Bakelite Corporation, 247 Park Avenue, New York;
43 East Ohio Street, Chicago; Bakelite Corporation of
Canada, Limited, 163 Dufferin Street, Toronto, Ontario*

BAKELITE

The registered trade marks shown above designate materials manufactured by Bakelite Corporation. Under the registered "B" is the symbol of Bakelite Corporation, a trademark of Bakelite Corporation.

A WORD TO MANUFACTURERS

Regardless of the kind of product you make, it is probable that you could profitably use one or more of the many Bakelite Materials—either in the product or in your manufacturing equipment.

For example, one type of material is used for making radio cabinets and instrument housings; another for bonding abrasives; a third for moisture-proofing fabric; a still different type is used in formulating paints and varnishes. Indicative of the wide range of uses for these materials is the fact that they are used in almost every industry.

We invite you to study the possibilities of Bakelite Materials for your product, and to enlist the cooperation of our engineers. Also to write for copies of illustrated booklets—"Bakelite Molded" 1M, "Bakelite Laminated" 1L, "Bakelite Varnish" 1V.

THE MATERIAL OF A THOUSAND USES



"TONY INC." HAS A GOOD MANAGER TOO

She's Got the Family Out of the Red And Is Using Some Profits For Maintenance

• "Here is the gross we ought to do, here's our bank statement, now it's up to you to make a profit this year," said the corporation president to his manager a year ago. Today, the books reveal a highly satisfactory result due to shrewd financial management.

• Another manager is taking a bow, too—Tony's wife. Tony's your shipping clerk from 8 to 5. But he's head of Tony, Inc., a good, sound American Workingman's Family the rest of the time. That firm's been through a few things, too—Maria's accident, Silvio's tonsils, Tony's stolen overcoat—total debt: \$165.

• Then Tony made Maria general manager and treasurer. "I'll make it, you spend it," he said. First thing Maria and Tony did was to negotiate a loan from Household. That paid off all the bills, so there wouldn't be any collectors to worry about.

• Then Maria studied family budgeting and better buymanship from free instructions furnished by Household. Now Tony, Inc., is on the "up and up"—or as your manager would say, "proper amortization and efficient distribution of funds have placed us in a strong position."

• Over 400,000 families yearly "amortize" through Household. You'll be interested in learning how they do it. Send for free sample literature and see how Household helps them to a better and sounder financial life.

HOUSEHOLD FINANCE CORPORATION

AND SUBSIDIARIES

919 North Michigan Ave., Chicago, Ill.

HOUSEHOLD FINANCE CORPORATION
Room 3052-C, 919 No. Michigan Ave., Chicago, Ill.
Please mail me, absolutely FREE—the new-type budget calculator; "MONEY MANAGEMENT FOR HOUSEHOLDS"; "TIPS FOR LAZY HUSBANDS"; and sample copy of your "BETTER BUYMANSHIP" booklets.

Name.....

Street.....

City..... State.....

The Retailers' Competition

CURRENT turmoil in the retail field between chain and independent retailers had its counterpart back in the "gay '90's," as the following excerpt from the *Literary Digest* of March 9, 1895, and memories of elders in the trade will testify:

A strong movement is on foot among the retail dealers in several lines of trade to oppose the enlargement of the scope of the department or combination stores. Originally these stores dealt in dry goods alone, but gradually their scope has been extended to such proportions that almost every imaginable article of merchandise is offered for sale by them at "bargain prices." The murmurs of discontent among the injured retail dealers have had no effect on the growth of the combination store, and it is now proposed to organize a vigorous campaign against it. The immediate cause of the present agitation is the decision of the proprietors of the department store to take up groceries and canned meats. The retail grocers and butchers are alarmed at the consequences to their trade, and have, in their organs and meetings, declared war on their rivals. Resolutions have been passed favoring a systematic boycott of the department stores by the families and sympathizers of the grocers and butchers, while in some quarters legal interference is suggested as the remedy for the alleged abuse. Dealers in china and glassware, liquor dealers, and other traders are in full sympathy with the movement and ready to cooperate in making the boycott successful.

Considerable attention has been given to this agitation by the daily press, and we select some of the more comprehensive comments. Preceding these are comments of the trade organs of the retail grocers, from which the reader will obtain a good idea of the position of the leaders of the anti-department store crusaders:

Among the many dangers that confront the grocery business there is at present none greater or more important than the question of the department store. This menace threatens not alone the retail grocer, but the wholesale grocer as well. The successful issue of the department-store idea as it relates to groceries and as it is practised at this moment all over the land means ruination to thousands of retail grocers and to many jobbing houses....

—Inter-State Grocer, St. Louis

The sword of Damocles was never more threatening and, to quote the language of a well known statesman, there is no disguising the fact that in this year of grace 1895, the American retail grocer, as well as his brother in Canada, is "face to face with a condition and not a theory." The tendency of the time is toward concentration and combination and no two worse elements ever stood together and blocked the path of prosperity.

What the retailer must do is meet the department man on his own level. He must tell the wholesaler to choose between him or his new rival.—The Retail Grocer's Advocate, New York.

There are evils attaching to the general store business, but they are only the evils which in every branch of trade and industry are to be found in the development of modern capitalism and the concentration of industry. The charges which are now brought against these stores are almost identically those which were urged against labor-saving machinery at the time of its introduction. The defense of the great merchants is almost the same as that of the introducers of machinery. A few may suffer from lack of employment, though probably the sphere of employment has been extended. The many gain by the cheapening of the necessities of life....

Protest against this progressive concentration of commerce is as hopeless of practical effect as it is destitute of just excuse. The department stores are only one manifestation of the centralizing tendencies of the age.

It is easy to make out a plausible indictment of department stores as it is easy to draw a plausible indictment of labor-saving machinery. But the benefits of each to humanity as a whole vastly outweigh any temporary injury which either may have done to a limited number of individuals. Both have come to stay, and the stores are here and are growing because of economic forces. Neither mass meetings, statutes, nor newspaper letters will do away with them, and it would not be fortunate for the people if they would.—The Times, Chicago.

From the original dry goods store has grown a place where supplies of shoes, men's and boys' clothing, upholstery, furniture, carpet, kitchen appointments, china and glassware are kept. In some other cities harness and carriages, hardware, jewelry, books and stationery, and now groceries belong to the outfit, and so long as the merchant's trade increases and his profits grow by the process, he will continue to add to his establishment. Who shall say that he will not soon be furnishing and maintaining not only the household supplies, but also the domiciles themselves, or that he may not find tenants for empty houses? And may he not include in his store medicines and coffins and doctors, or even lawyers and plumbers, carpenters and locksmiths, and perhaps hired girls, to say nothing of coal and wood, insurance, and a host of other things? His departments are already many, but the supply of opportunities for future enlargement has not been exhausted.

This systematic widening of the range of the merchant's business is bound to go on. It is profitable thus far because it is advantageous and convenient for the public. But there is need of caution. Not all men are capable of managing large department stores, and the bubble is likely to burst for some of the ambitious managers. At any rate the day of the store with a single line of goods has not passed, nor is there any danger that the usefulness or profit of the man who confines his energies to a single and well-defined pursuit will soon be destroyed.

—The Dispatch, Columbus



**Good management and Monel Metal team together
to bring it down to earth.**

By S. E. LITTLE

Vice-President of American Stove Company



1. Airplane engineers developed streamlining, and gave the slip to air resistance. But even without 'planes to lead the way, I believe designers of industrial products would have developed 'stream-line' treatment independently.

2. Modern design is a powerful aid in overcoming sales resistance for many household products. We

have found it, for example, a great help in selling Magic Chef Gas Ranges.

3. In the beautiful kitchens of today, there is no place for ugly lines—or ugly materials, either. That's why you see so much Monel Metal. The Monel Metal top on the Magic Chef suggests to architects and home-owners alike, that here's a

gas range deserving of a place in every new—or modernized—kitchen.

4. In keeping with today's ideas of efficiency, Monel Metal calls for no special care. Ordinary use is enough to keep its burnished surfaces bright and gleaming, like old family plate that is cared for by a conscientious butler.



5. Even in the best-managed kitchens, accidents will happen. But they can't do serious harm to Monel Metal. It's so tough and hard that neither hot skillets nor heavy pots leave any permanent marks. And since it's rust-proof, no harm can come, even from spilled foods.

6. Ten years of printed advertising, helped along by outspoken praise from users, have made Monel Metal's advantages known to every woman with

any pride in her kitchen. No wonder they immediately "took" to the new Magic Chef.

7. When an Inco Engineer calls to see you, open your door to him. He may help YOU as he has

helped many another manufacturer, to discover some of the many profitable ways—in production as well as finished product—to use Monel Metal.

THE INTERNATIONAL NICKEL COMPANY, INC.
67 Wall Street New York, N. Y.



Monel Metal is a registered trade-mark applied to an alloy containing approximately two-thirds Nickel and one-third copper. Monel Metal is mined, smelted, refined, rolled and marketed solely by International Nickel.

MONEL METAL

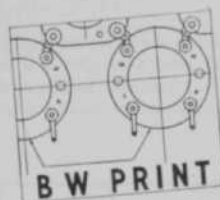


YES, IT'S THE MONA LISA —In Reverse!

● We made this negative reproduction of Leonardo's famous painting to show you the vast difference between a negative and a positive print. Blue prints, too, are negative prints—hard on the eyes and often hard to understand. That's why thousands of firms throughout the country now use Bruning BLACK AND WHITE Prints.

BW Prints fit in with modern business methods. The coal-black lines on white backgrounds make reading and checking easy... prevent mistakes and confusion. Furthermore, BW Prints can be made FASTER than blue prints in your own blue print department.

For \$57.50, the price of a BW developing machine, BW advantages are permanently yours. Prints exposed in your blue print machine are developed instantly as true black-line prints... no negative, no washing or drying. Mail the coupon for complete information.



BRUNING

Since 1897

—Leading the field today in sensitized papers, reproduction processes, drawing material and drafting room equipment.

CHARLES BRUNING COMPANY
102 Reade Street, New York, N. Y.

Gentlemen: Please send me complete information about the Bruning BW Process.

Name

Firm Name

Address 633

New York • Chicago • Detroit • Newark
Pittsburgh • St. Louis • Los Angeles
Boston • San Francisco • Milwaukee

It Can Be Done

(Continued from page 29)

continue as long as governments endure. . . .

It is carved upon the entrance to our capitol that "The Salvation of the State is the Watchfulness of the Citizen." I know of no better stimulant to watchfulness than the property taxes which we so painfully pay. "Painless" taxes, collected in dribbles, might afford some replacement for a short time. But inevitably that unwatched pot of gold would prove an irresistible attraction to the interests which are always reaching eager hands toward the public treasury.

The fight was carried directly to the people, and the wires into Lincoln grew hot with protests of constituents. No new taxes were authorized—except an added one cent per gallon on gasoline, to be used for the state's relief needs—particularly to finance old age pensions and dependent children's aid.

Taxpayers helped cut costs

THROUGH all the battles to lower state and local governmental costs in Nebraska since 1932, the Association of Omaha Taxpayers has played a vigorous and consistent part. Founded in February of that year, it drew into its ranks the outstanding business and professional men of the city. It carries a budget of \$25,000 a year, and every penny spent seems to get results.

The secret of its power? Ask Walter L. Pierpoint, president of the Association. He'll give you some forthright ideas on how taxpayers can make their wishes known and represent their interests in governmental halls.

We feel that we have a dual task—to aid in the preservation of the necessary services of government in an orderly manner; and to cause reduction of public expenditures within the reasonable capacity of the citizens to pay, keeping an even flow of tax money for the proper functioning of government.

We don't try to coerce or sandbag public officials, either in Lincoln or in Omaha. We cultivate a constructive rather than a critical attitude. And put this down: We try to back up everything we say with facts and figures—not theories and emotions!

The list of proposals for Omaha, Douglas County of which the city is a part, and the state of Nebraska, which the Association of Omaha Taxpayers has sponsored, is imposing. Passage of an enabling act in 1933 to make possible county manager form of government stands as one particularly important accomplishment. Douglas County citizens have approved the manager form and it will go into effect January 1, 1937. Numerous other counties, with less population but with citizens eager for

better county government, are preparing to follow suit.

Payment of property tax on autos and trucks before issuance of license resulted in about \$70,000 additional revenue for Omaha and Douglas County school districts. Reduction of 30 cents a day in feeding county prisoners brought a savings of \$10,000 annually.

Citizens helped collections

A CAMPAIGN to awaken the citizens of Omaha to the importance of paying up delinquent taxes deserves honorable mention. The Association sponsored the drive with all the fervor of a civic crusade. Eighty-seven per cent of general taxes for the city and 90 per cent of the school district taxes for Douglas County were paid up when the books closed for 1935.

Savings to Nebraska's taxpayers in state and local governments have not been brought about by horizontal slashings nor by eliminating or crippling a single useful public service. The drouth summers of 1933 and 1934 added severe burdens. Assessed valuations have declined an average of 32 per cent since 1930, but levies have increased an average of only 15 per cent. Salaries have been reduced all down the line, and school teachers have had to assume bigger teaching loads. But school districts the state over are in sound financial condition, with average salaries of \$1,755 for high school and \$1,510 for grade teachers.

The state is following the old-fashioned method of paying bills as they come due, and every citizen seems to have become a member of a vigilance committee to see that the bills don't run too high.

A monument to paying as you go

THAT beautiful capitol building is a symbol of Nebraska's policy. Begun in 1922 and finished in 1934 at a cost of \$10,000,000, it was paid for year by year out of tax money in the treasury and not money borrowed against the future.

In one of the offices near Governor Cochran's sanctum sits W. H. Smith, veteran tax commissioner, who sums up the matter for us:

You can't do it without intelligent action by governors, members of the legislature and local public officials. The best time to find out what they can do and get 'em on record is before they are elected. Economies have to come from eliminating useless activities of government. The best time to eliminate 'em, Nebraska has found out, is before they are hatched!

It's no news to me..

**ROYAL IS THE
WORLD'S
NUMBER 1
TYPEWRITER**

*Month by Month, Royal
Sales Continue to Break
All Previous Records*

DEMANDED BY BUSINESS

*All-time record sales established 1935
as greatest year in Royal's entire his-
tory. Continuing increases during first
quarter months point to an even higher
"popularity peak" for 1936.*



WHY BUSINESS VOTED ROYAL FIRST

First in SPEED . . . Greater volume! First in EASE . . . With Touch Control, Shift Freedom. —many other exclusive features! First in CAPACITY . . . Not only is volume greater—but quality also is enhanced! First in ECONOMY . . . In every phase of performance! First in DURABILITY . . . Day in, day out! These New Royals certainly are built to take it!

"I've used them all . . . Give me Royal every time!"

No wonder typists prefer the New Easy-Writing Royal . . . No wonder they turn out better typing, faster and at lower cost!

On the New Royal, every typing operation, from the first key touch to the final dot, has been reduced to scientific simplicity. Wasted effort, lost motion, have been completely eliminated. Every response is instant—accurate to the hair!

And when you consider, also, that Royals retain their operating perfec-

tion throughout years of service, and with minimum attention, you readily realize why Royal popularity is increasing so rapidly.

Actually, if you want real performance, there's only one typewriter for your money . . . the New Easy-Writing Royal, World's No. 1 Typewriter!

In your office . . . Compare the Work.

ROYAL TYPEWRITER CO., INC.
2 Park Avenue, New York City

*World's largest organization devoted
exclusively to the production of typewriters*

NEW EASY-WRITING ROYAL

STEEL OFFICE CHAIRS

BEAUTIES TO LOOK AT

BEAUTIES TO SIT IN

LIGHT IN WEIGHT



NOW steel office chairs take on an entirely new importance! Beautiful design and luxurious comfort are now combined in the modern manner in steel chairs. Here are chairs beautifully done in steel yet ruggedly constructed — with less weight than comparable models in wood. Equally important is the fact that this distinguished line of chairs is moderately priced, quality and style considered.

FREE Write for brochure, entitled "Smartly Styled in Steel by Harter," giving all details. Dealers: Some sales territory still open.



Harter Columbian
Swivel
Desk Chair

Harter
Columbian
Arm Chair

The

Harter
Columbian
Side Chair

HARTER

Corporation Sturgis, Mich.
Address Desk M3

MANUFACTURERS OF THE WORLD'S
FINEST SEATING EQUIPMENT

Is It Slum Clearance — or What?

(Continued from page 22)

the tenant and general laundries in the basement of each building. As in all the housing projects, only about 25 per cent of the land will be covered by buildings, the rest being given over to lawns and landscaping.

First reaction is that taking any group of people out of the disreputable buildings which covered this site and making them tenants in steam heated, electric lighted, fire resistant buildings would be an outstanding contribution to humanity. It surely would, if that proves to be the result.

There may be some question, however, as to the ability and the willingness of the slum dwelling family to adapt itself to modern apartment dwelling. There is a strong question as to the financial possibility of such a change. After all, those who dwelt in the now destroyed slum did not do so because no better quarters were to be had, but because they could afford nothing better. So the question of who is going to get the benefit of this particular housing development will depend almost entirely on what the rents are going to be.

Of that, more later.

The second of the Cleveland projects, known as the Outhwaite, is in a section which is predominantly Negro. The census tract of which it is a part was pretty much all of a kind, so that the figures will be approximately correct for the part taken for the project. There were 786 family units in the tract of which three were in good condition; 214 needed minor repair; 421 needed major repair and 148 were unfit for occupancy. The sanitary police had seen to it that only two were without indoor toilets, but 26 had no bath, 80 no light, 159 no gas and 646 no heat but stoves. Still 47 families reported one car and one family had two.

There were 209 renting apartments in the census tract of which 37 were of three rooms, 95 of four rooms and 61 of five rooms. In this group, comprising 193 out of the total of 209, there were 25 which rented for less than \$3 per month per room, 82 which rented for from \$3 to \$3.99, 44 which brought from \$4 to \$4.99 and 37 which brought from \$5 to \$5.99. Practically 75 per cent of all the renting apartments in the census tract commanded less than \$5 per month per room.

The Outhwaite housing project is being built around a large municipal recreation and social center, which includes both indoor and outdoor public pools, playgrounds and social service rooms. A school and a large site

for future school purposes also adjoin. In the development there will be seven apartment buildings of three stories, nine row house buildings of two and three stories, two store buildings housing six stores, and ten garage units housing 94 private garages. There will be 627 family units in all, 46 of two rooms, 198 of three rooms, 313 of four rooms, 36 of five rooms and 34 of six rooms.

As in the first project, all apartments will have steam heat, hot water and electric light, separate refrigeration units, garbage incinerators and common laundries. Again ideal living conditions are replacing slum dwellings and again the question of whether the slum dwellers will be able to take advantage of the new facilities is certain to depend entirely on the scale of rentals.

Better section for residence

THE third Cleveland project is entirely unlike the other two. It is on the near West side, the others being east of the business center. It is in a neighborhood which started, many years ago, as a community of working people, largely Irish, and although the property had not been modernized it has been kept in better repair than in either of the other neighborhoods under discussion. Many of the residents had owned and occupied their properties for years.

The census tract in which this housing site is located was fairly uniform as far as residence conditions went. Of the 945 family units in the tract 220 were reported in excellent condition, 413 needed but minor repairs; 183 needed major repairs and 129 were unfit for occupancy. But, showing the lack of modernization, 358 had no indoor toilets, 497 no bath, 122 no light but lamps, 179 no gas, and 520 no heating facilities but stoves. There were 136 families with one car and nine with two.

Better repair and better geographical location were reflected in rentals. Of 338 renting apartments, 133 were of two rooms, 52 of three rooms, 61 of four rooms and 77 of five rooms. This group made up 323 of the total of 338 apartments. Only 18 of them rented for less than \$3 per month per room; 17 rented for more than \$3 and less than \$4; 23 rented for from \$4 to \$4.99 per room per month; 48 for from \$5 to \$5.99; 78 for from \$6 to \$6.99; 47 for from \$7 to \$7.99; 49 for from \$8 to \$8.99 and the rest for more. Instead of 75 per cent, as in the case of Outhwaite, or 50 per cent as



Make it Sing!

A Command Worth Millions to Advertisers

Today's advertisement can't waste time.

It must catch the reader on the run—or miss him altogether. It must overcome, first, his natural inertia in reading advertisements at all. Then it must compete for attention with the mass of all other advertising.

It must compete, next, with his natural and lively interest in the swift-running drama of world events.

Here is competition, indeed, for the story of your automobile, your breakfast food, your dentifrice! What are its chances, in reader interest, with Mussolini, England, Japan, the New Deal?

Your Advertisement Can Compete!

How, then, to create an advertisement that holds its own in such brilliant company? How to give it qualities of arresting reader interest and "news excitement" that will win a hearing for your sales message?

To these questions, we answer—"Make it sing!"

To us, "Make it sing!" sums up certain basic essentials—certain "musts"—which 63 years of putting salesmanship into print have taught us to observe.

These are the Three Basic "Musts"

First among these "musts" is a strong central selling idea, that instantly arrests the self-interest of the reader. One which "gives the reader, in a compelling way, the Reason-Why it is in his interest to buy your wares."

Lord & Thomas so defined the basic principle of salesmanship-in-print 30 years ago. Since that time, no better definition has challenged it.

Second: The advertising must be given news. It must have drama, enticement, *universal interest*. Finding the news in a product which appeals to the millions,

instead of the thousands, marks the difference between advertising that merely "pays" and advertising that wins and holds great markets.

Third: The advertising must be molded into a final and compact form—clothed in copy that *sings*. The central Reason-Why must be compressed into the swift language of instant understanding—*excitingly*—with deep-felt conviction and sincerity.

To realize all the fruits of successful advertising, the final and invariable commandment is—"Make it sing!"

Reasons-Why—more than mere Slogans

Such dynamic Reason-Why imprints transcend mere slogans. For they carry a lasting impact *not* in a single line, but through the *structure as a whole*. Headline, copy, illustration—they are knit together into the unity of a live, compelling advertisement. A unity which forever avoids the inevitable monotony of sloganeering.

In the hands of talented men, Reason-Why advertising lends itself to an infinite variety and freshness. Ever renewed and invigorated by trained imagination, it drives unceasingly toward leadership and profit.

The Song that Sells in Millions

Today, more than ever, Lord and Thomas advertising reflects these basic qualities of dynamic urge and compelling interest. Today, more than ever, true salesmanship-in-print proves its vital power to attract, convince—and *sell*. It gauges its competition with the calm judgment of experience, the confidence of conviction. It knows *what* it can do—and *how* to do it.

"Make it sing!" is the song of salesmanship that never grows old—it continues to win millions in profits for clients of Lord & Thomas.

LORD & THOMAS • *advertising*

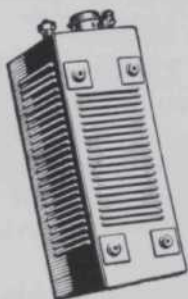
There are Lord & Thomas offices in New York; Chicago; Los Angeles; San Francisco; Toronto; Paris; London. Each office is a complete advertising agency, self-contained; collaborating with other Lord & Thomas offices to the client's interest.

No need to pay for costly UNWILLING IDLENESS.....



Forestall production tie-ups the ALKALINE way...

New materials-handling trucks, powered by alkaline batteries frequently pay for themselves the first year. But motive-power is all-important! Should this fail, men are idle, production jams. The Edison Storage Battery is not subject to unexpected failure—and this is why industry uses more Edison than all other makes combined. Dependability and long life are economically insured by its steel-alkaline principle; all other batteries made in U. S. are lead-acid. Edison Storage Batteries for industry, railroads, marine, mine and all heavy-duty services.



EDISON storage BATTERY

DIVISION OF THOMAS A. EDISON, INC.
W. ORANGE, N. J.

in the case of Cedar-Central, paying less than \$5 per room per month, this census tract showed practically 75 per cent paying more than \$6 and almost half paying more than \$7. Regardless of what the property may have been like, those rents are getting fairly well out of the slum class and into at least the lower middle class.

This west side project, known as the Mulberry Street development, will be most interesting. It lies on a hillside, looking over the harbor to the open lake. There is considerable industry near by and the tracks of the New York Central are at the foot of the hill, but none of the industry is objectionable from the living standpoint and the railroad tracks have only a fraction of the traffic which went over them before passenger trains were routed over a different right of way to reach the new passenger terminal on the Square.

Modern living conditions

THE Mulberry Street project will include 44 residence buildings, a power house, two store buildings with 13 stores and a community center and four double groups of garage buildings containing 118 private garages. All apartments will have steam heat, hot water, electric light, electric unit kitchens including refrigerators, laundries in each building, an extra deep tray in the kitchen sink for light washing, and garbage incinerators. The community center will have provisions for a day nursery to care for pre-school age children of employed mothers. There will be 620 family units, the 2,311 rooms being divided into 272 apartments of three rooms, 230 of four rooms, 35 of four rooms and dinette, 78 of five rooms and five of five rooms and dinette.

So much for the physical characteristics of these three housing projects. Right here let us record that they are fine projects, in which modern and attractive buildings are replacing those which were anything but modern and attractive.

The purpose of this study, however, is to determine, if possible, what the taxpayer who foots the bills for government expenditures is getting for the money he will have to pay for these projects. Even as taxpayers, Cleveland citizens can still rejoice because the city gains much more than is represented by the one per cent of federal expenditures which Cleveland theoretically pays.

But what about the taxpayer elsewhere who is not interested in making Cleveland a better looking city. His interest largely revolves around the possibility that these buildings will be rented at a figure which will pay the cost of operating and cover

interest on the money put into their construction.

It would be satisfying to be able to present exact figures, at least on the original cost. Unfortunately that cannot be done. Land and building figures are a matter of public record. Architects' fees, supervision costs and sums set aside for carrying cost during construction and contingencies are a part of the bookkeeping of the Housing Division of the Public Works Administration and A. R. Clas, director of the division, refuses to disclose them.

Without them, however, enough data can be assembled to permit a fair judgment as to whether these projects can house the same income groups which were displaced and break even.

Net cost of the land for Cedar Central was \$581,712.55 and the building contract calls for \$2,486,040, a total of \$3,067,752.55. Land for Outhwaite cost, net, \$713,444.89 and the building contract is for \$2,569,975, a total of \$3,283,419.89. Land cost on Mulberry was \$504,092.60 and the building contract, \$3,001,670, a total of \$3,505,762.60.

It is certain that fees for architects and supervision of construction would amount to at least five per cent on each contract, but forgetting that, and funding the land and building totals at three per cent, which is certainly as low a rate as the Government can expect to pay for money over the period for which much of the current indebtedness is likely to run, we find that the annual carrying cost will be \$92,032.56 on Cedar Central, \$98,502.57 on Outhwaite and \$105,172.86 on Mulberry.

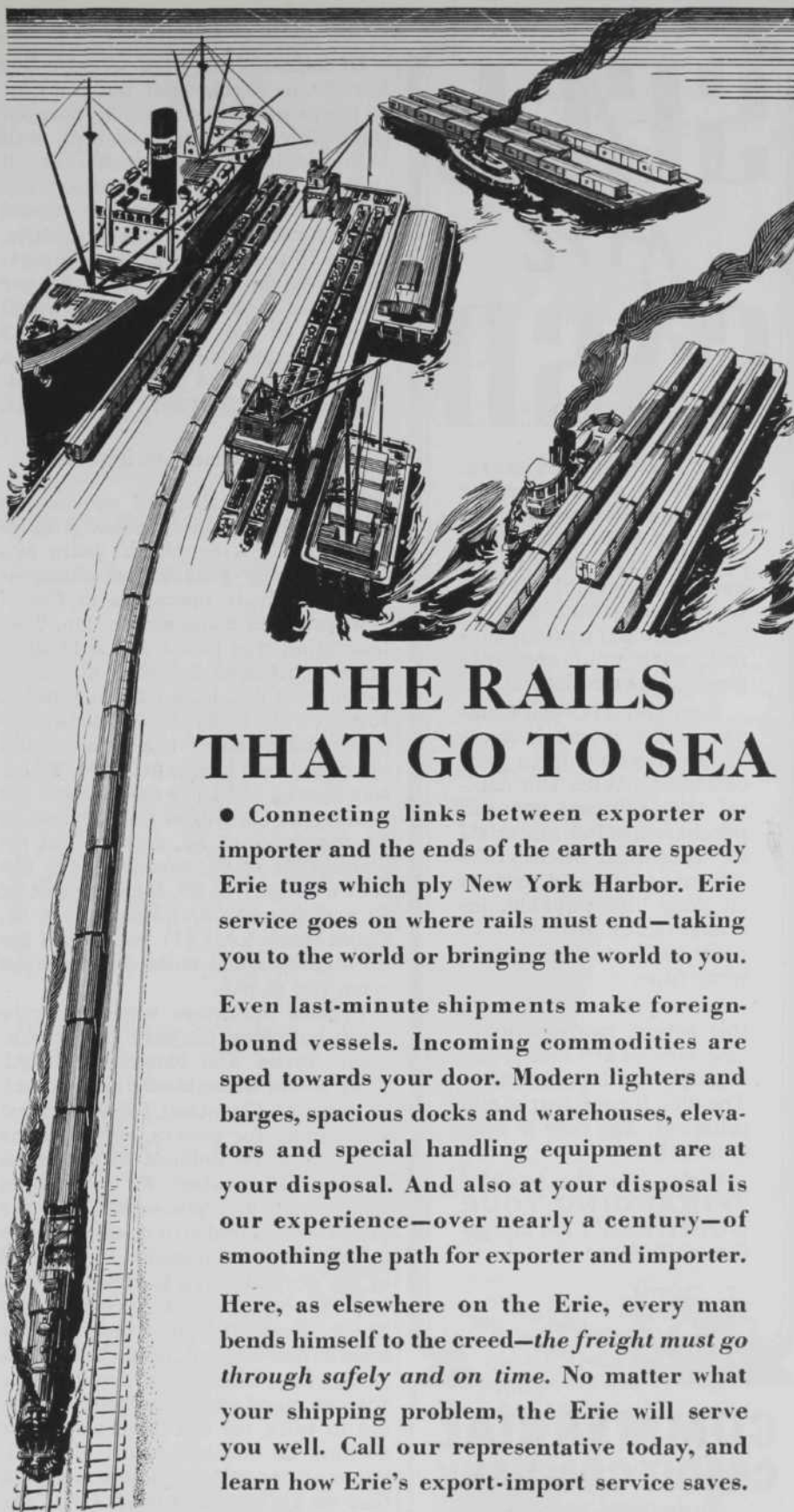
This means \$39.80 per room per year on Cedar Central's 2,312 rooms, or \$3.32 per room per month. It means \$42.40 per room per year on Outhwaite's 2,323 rooms, or \$3.53 per room per month. It means \$45.50 per year for each of Mulberry's 2,311 rooms, or \$3.79 per room per month.

Other costs are involved

CARRYING costs are only part of the base for rentals, however. Operation and maintenance must be considered.

Speaking in Cleveland before one of the housing conferences which had a part in setting Cleveland up as a housing laboratory, Dr. Ernest Kahn, a German housing authority, declared that many American housing experts made the mistake of failing to include in their figures the ten per cent maintenance charge necessary to operate and maintain housing projects.

"That ten per cent must be added to the rental," he said, "and I am afraid that in some cases this may

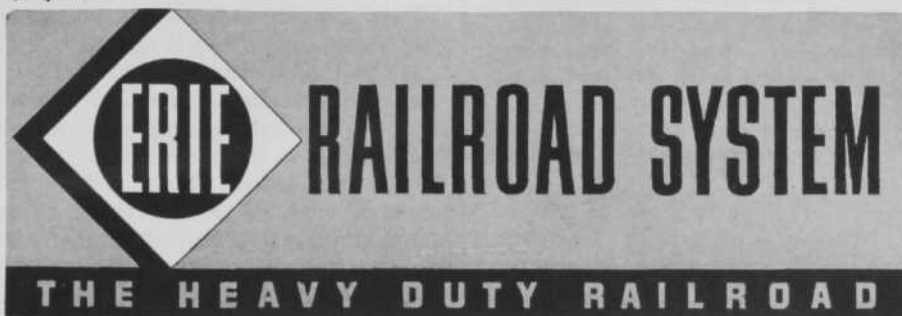


THE RAILS THAT GO TO SEA

• Connecting links between exporter or importer and the ends of the earth are speedy Erie tugs which ply New York Harbor. Erie service goes on where rails must end—taking you to the world or bringing the world to you.

Even last-minute shipments make foreign-bound vessels. Incoming commodities are sped towards your door. Modern lighters and barges, spacious docks and warehouses, elevators and special handling equipment are at your disposal. And also at your disposal is our experience—over nearly a century—of smoothing the path for exporter and importer.

Here, as elsewhere on the Erie, every man bends himself to the creed—the freight must go through safely and on time. No matter what your shipping problem, the Erie will serve you well. Call our representative today, and learn how Erie's export-import service saves.



SELL for CASH

DO A CASH business.

Have available the working capital represented by your accounts receivable. You can do it if you use Commercial Credit Company's plan of supplying additional working capital, with your accounts receivable as collateral.

Commercial Credit Company will cash your invoices as fast as you ship to your customers. With the capital thus released you can purchase needed materials for spot cash prices, take advantage of cash discounts on your bills payable, increase your profits and your credit standing at the same time.

Among the clients using this smart, modern financing service are many big, highly rated companies. The plan is confidential and practical. The cost is very reasonable.

Write for the booklet "FINANCING YOUR BUSINESS". No obligation or expense.



Mail this coupon
to our nearest office

COMMERCIAL CREDIT COMPANY

COMMERCIAL BANKERS

First National Bank Bldg., Balto., Md.
Continental Ill. Bank Bldg., Chicago, Ill.
100 East 42nd Street, New York, N. Y.

Please send me the booklet
"Financing Your Business". This request does not obligate me in any way.



Check here if you wish
representative to call.

increase the rent to a prohibitive cost in the housing projects here."

Of course, if this German authority is right in saying that ten per cent of the original cost must be charged for maintenance and operation, even if that includes carrying charges, all three of these Cleveland projects are sunk before they start. It would mean, for instance, that in Outhwaite, where 75 per cent of previous apartment rentals were less than \$5 per room per month, the rental would have to be only pennies under \$12 per room per month when the ten per cent is applied to land and building cost only. That isn't in the cards.

Many expenses are involved

PRIVATE operators of apartments are a bit more conservative. A tabulation made a couple of years ago and generally pronounced conservative by private operators in Cleveland provides some suggestion. This tabulation was based on an 11-suite brick apartment building, all suites three room and bath efficiency units. It was on the basis of costs per apartment and some of the items would apply to these larger projects. Water was figured at \$1 per month, coal for heating at \$2, wages for services at \$2, insurance at \$1, repairs and replacements at \$3, vacancies (15 per cent average) at \$5, management at \$2 and supplies and sundries at \$1. Those items total \$17 per month for each three room suite or \$5.66 per room per month.

Private operators have to figure taxes but these projects are government owned and cannot be taxed. They would undoubtedly have to pay the city of Cleveland for water and should pay for sewers, although the city might be induced to set those services off against its savings in police and fire protection for the project areas and still be ahead, even taking into consideration its tax loss of the ground taken for the projects.

If the city should provide free water, however, for which \$1 per month has been figured, nobody is giving the Government free coal or soap or mops and if anybody is willing to work for the Government for nothing no one has heard about it. Some of the items quoted might in fact be higher. It is doubtful if the \$2 per month for each three rooms for service labor would suffice in such a project as these government buildings. For one thing, the Government is not half as good at hiring people at a low wage as a private employer has to be. Then again, 75 per cent of the area of each of these sites is to be parked and landscaped, and parks and landscaping take some care.

Management might run higher,

too. It has been known to when the Government was the employer. Repairs and replacements would be more, too, as any landlord who has rented to the income groups for which these buildings are supposed to be intended can testify.

To take only the necessary items, however, and to take them at a minimum it seems that at least \$5 per room per month will have to be paid for operation, management and maintenance. That means that rents in Cedar-Central must average \$8.32 per room per month, those in Outhwaite \$8.53 and those in Mulberry \$8.79, even without the addition to carrying costs which will be necessary when the Government lets us know the other items of expense which must be included in first cost.

Can such rents be collected? If not, what then?

It is distressingly apparent that the income groups which lived on these sites before the Government took them over can never pay those rents. The margin of difference in Cedar-Central and Outhwaite is prohibitive. The difference is not so great in the Mulberry project, although rents must be enough higher so that the original group could not pay them.

Government in housing

IF these projects cannot house the groups whose homes were destroyed and break even, what then is to be done with them? Government officials who were responsible for the allotments will have to answer that question. It is apparent, however, that only one of two answers is possible. The projects must house the groups for whom they were supposedly built and lose a lot of money every year, or they must be rented to those who will pay enough to keep them out of the loss column and we must quit calling them either slum clearance or low cost housing and recognize them as government participation in the private business of apartment house construction.

Mulberry Street will doubtless rent easily at prices which will make it self-supporting even when all the costs are disclosed. It is well located with regard to business sections and most attractively designed. Cedar-Central, too, can be rented to be self-supporting, but it will have to be to a different group than lived in the neighborhood. It is but half a mile or less from the business section and office and store workers would probably welcome a chance to move into it from the privately owned buildings where they now live.

Outhwaite has one way to go, and only one. Surrounded on all sides by

Because 4 Famous Cars Had Unseen Value

— a great industry moved forward

THE WAYS of progress are strange indeed. Great achievements do not always take place to the blare of trumpets and the plaudits of admiring millions. Often from humble beginnings true greatness rises to enhance and benefit all things associated with it.

In 1898 Professor and Madame Curie—without money and without proper equipment—began a series of experiments to discover more about the amazing phenomenon of radioactivity.

Their laboratory was crude, almost primitive. The only ore suitable for their experiments which they could secure in sufficient quantities was pitchblende . . .

But they had genius—and pitchblende had *unseen value*. They found far more than they anticipated in that heavy brown ore with the pitchy lustre. They found an amazing new element, so precious as to be almost priceless, the most valuable metal in the world—*radium*!

* * *

Like the radium in pitchblende, the Unseen Value in motor cars is not visible to the eye. It is not interpreted alone in iron, rubber and steel. It is not expressed only in beauty, safety, power or speed. These are the familiar qualities of a motor car—the qualities which everyone has a right to expect.

BEFORE BUYING A CAR —ASK YOURSELF THESE 5 QUESTIONS

1. *Has it proper weight distribution?*
2. *Has it genuine hydraulic brakes?*
3. *Is it economical to run?*
4. *Has it floating power?*
5. *Has it all-steel body?*

ONLY CHRYSLER-BUILT
CARS HAVE ALL FIVE

It is in the *conception* of a car that you must seek its Unseen Value—in the *ideas* and *ideals* of the organization behind it.

And Chrysler-built cars possess this Unseen Value to an exceptional degree. For the ideal of Chrysler Corporation has always been to improve cars in every possible way.

Its policy has been to put into them, not merely the best available materials, but also the inspiration, the genius, the engineering skill of the men with whom Walter P. Chrysler and his associates have surrounded themselves.

Four cars with exceptional Unseen Value

Chrysler Corporation is no ordinary prosaic business devoted merely to the manufacture and sale of cars. To grow from a humble beginner to a vast industry providing a livelihood for almost half a million people, requires something far greater than self-interest.

Chrysler Corporation is proud of its contribution to the progress of the American automobile industry as a whole. Proud of the four famous cars made in its factories: the Plymouth, Dodge, De Soto and Chrysler. Proud, also, of its Dodge Trucks and other products. They all possess Unseen Value to an exceptional degree.

And America has been quick to recognize the Unseen Value in Chrysler-built cars! *For every fourth car sold today is a Chrysler-built car.* Chrysler Corporation alone, of all American motor manufacturers, has exceeded in 1935 its rate of production for the boom year of 1929.

Remember Madame Curie and the amazing Unseen Value of pitchblende when you buy a motor car. Remember the *exceptional* Unseen Value of motor cars built by Chrysler: Plymouth, Dodge, De Soto, Chrysler, and Dodge Trucks.

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DODGE**

PASSENGER CARS AND TRUCKS

Chrysler Marine and Industrial Engines

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YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION



Your key, first of all, to *economy*, because of the Mayfair's moderate room rates and reasonable charges — to *convenience*, because

of the Mayfair's location in the center of the business, theatre and shopping district—to *good living*, because of its fine

food, comfortable accommodations, courteous service—to *prestige*, because of the high regard in which the Mayfair is held by Saint Louis business men—in truth, your key to *many things* besides the finest hotel rooms you can rent for the money in Saint Louis.

Rates: \$2.50 to \$6.00 single; \$4.00 to \$7.00 double. Over 50% of the rooms for \$3.50 or less. Each with private bath.

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and the
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Air-conditioned lobbies,
lounges and restaurants—
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Hotel Mayfair EIGHTH AND ST. CHARLES
SAINT LOUIS ★ ★ ★

HOTEL LENNOX — Only One Block Over — Same Management

the type of dwellings razed to make room for it, no higher income group could be induced to live there in sufficient numbers to fill it. Outhwaite will be slum clearance or nothing, and it is going to cost the Government a lot of money.

There is no wish here to be critical of these projects. They are public projects and we ought to know what we are getting. Perhaps, as some housing authorities believe, the time has come in this country when we must spend public money to assure decent housing for those income groups which cannot buy it from private owners.

The only point made here is that if that time has come we ought to look the fact squarely in the face and not fool ourselves into expecting an accomplishment in slum clearance which will not be realized.

Business for Tax Revision

ORGANIZED business, as represented by member organizations of the United States Chamber of Commerce, has declared itself overwhelmingly in favor of tax revision and reduction of government expenditures. Results of a referendum on 17 specific proposals designed to bring about these ends, announced January 28, indicated the belief of a majority of business men that the current rate of government spending is discouraging recovery and retarding employment. Ninety-nine per cent of the votes cast urged a reduction of federal expenditures in the near future sufficient to balance the budget without increased taxes.

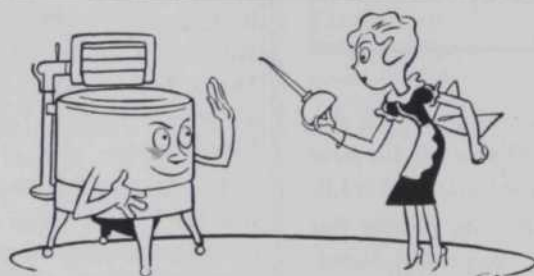
The proposals were based on studied recommendations of the Chamber's Committee on Federal Finance. Many existing taxes, especially income taxes, according to this Committee's report, have already passed the point of maximum productivity.

The 17 proposals and the votes (a large percentage of which were cast by organizations in the smaller cities and towns) included:

Do the combined expenditures of federal, state and local governments now demand so great a proportion of the total national income that they discourage business, threaten the security of wages and savings, and retard employment? YES, 1,598; NO, 79.

Should a well coordinated fiscal plan be adopted for reduction of federal expenditures to bring about in the near future a balanced budget without increased taxes in order to create that confidence necessary for recovery and increased employment? YES, 1,700; NO, 7.

Should the fiscal plan include provision that, after the budget is balanced, expenditures will be further decreased at



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"Lifetime oiling"—that's what you get in the new R & M motors that are used on some of the best washing machines and other appliances these days. R & M engineers are always doing something like that to make our motors better!

Manufacturers of electrical appliances, anxious to give better service to pur-

chasers, are partial to the sturdy dependability of R & M motors. The motor, they know, is the heart of any appliance—so they just save trouble and give you an R & M!

Look for the R & M mark on the motor when you buy an electrical appliance.... If you are a manufacturer, our engineers are at your service.

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Inc.
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the earliest practicable date in order that taxes may be reduced? YES, 1,714; NO, 3.

Should emergency expenditures necessary for the relief of the destitute unemployed be provided by and under the control of the states of their residence, with reimbursable advances from the Federal Government only on application of those states or municipalities which are unable to obtain the needed funds for that purpose? YES, 1,613; NO, 62.

Should federal expenditures, through the use of the taxpayer's money or by means of advances or loans, for the purpose of developing or extending governmental activities which compete with private business be discontinued? YES, 1,683; NO, 22.

Is the use of federal taxing power primarily to compel states or individuals to conform to social or economic readjustments, with revenue only incidental, contrary to sound public policy? YES, 1,587; NO, 79.

Will mounting tax rates tend to destroy incentive to invest funds in private enterprise and thereby diminish the sources on which the Government must rely for future revenues? YES, 1,631; NO, 50.

Should the federal estate tax be repealed and inheritance taxes avoided in order that these revenue sources may be left to the several states? YES, 1,310; NO, 305.

Should a substantial portion of federal revenues be raised by excise taxes at low rates on articles not of first necessity? YES, 1,442; NO, 177.

Should the federal tax-collecting system be placed upon a strict civil-service basis, with provision for career services for members of the staff and officials demonstrating outstanding ability? YES, 1,710; NO, 15.

The fact that some member organizations may refrain from voting on given proposals explains the difference in some of the totals.

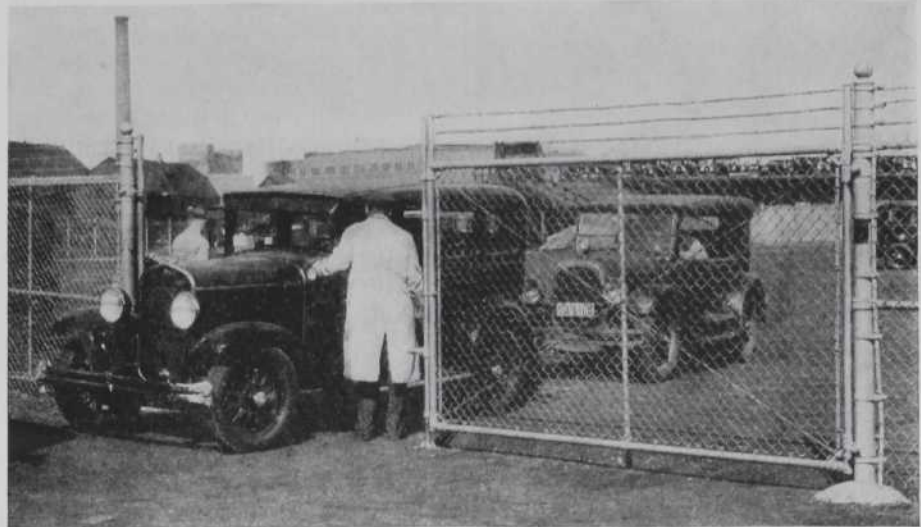
ATAE Awards

THE American Trade Association Executives' Award will again be presented this April after a lapse of three years. The Award, in the form of a bronze medallion, is made for outstanding service rendered by a trade association to the industry it represents, to industrial development at large, and to the public. The forthcoming award will be made for achievement during any one or more of the years 1933, 1934, 1935.

Judges are Daniel C. Roper, Secretary of Commerce; Thomas J. Watson, President, International Business Machines Corporation; Arthur D. Whiteside, President, Dun & Bradstreet, Inc.; Walter Dill Scott, President, Northwestern University; Merle Thorpe, Editor, NATION'S BUSINESS.

Previous winners of the Award are: 1932, The Cotton-Textile Institute, Inc.; 1931, American Paint and Varnish Manufacturers Association, Inc.; 1930, National Association of Dyers and Cleaners; 1929, National Automobile Chamber of Commerce.

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- 1—All Cyclone fence is copper-steel—proved by the American Society for Testing Materials to withstand rust longer than plain steel.
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- 5—Mesh measurements and gauges in Cyclone fence are exactly as represented.
- 6—Cyclone gate frames are assembled with malleable castings—not welded. A damaged welded gate usually means a new gate.
- 7—Cyclone's ball and socket method of hanging gates takes strain from posts and puts the weight on a concrete footing.
- 8—In Cyclone invincible and non-climbable type fence the barb wire is fastened on extension arms with a key that permits adjustment due to expansion and contraction without damaging the arms.

9—Every part is made by Cyclone. Not assembled on a price basis.

10—Men trained and directed by the Cyclone Fence Co. are available to install Cyclone fence.

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New Fashions for an "Old-Fashioned"

This is the exotic new bar in the swank King Cole Room of the Hotel St. Regis in New York. It was designed by Anne Tiffany and executed by Charles F. Biele & Sons Co., in rich, colorful Revere bronze. The background and other appointments are also of Revere bronze panels.

For smart decorative effects, designers have always preferred this gleaming, rich-colored metal. In industry, too, copper and its alloys answer modern needs. Where strength must be combined with corrosion resistance, where the workability of a metal is a crucial factor or where high heat transfer is the important requirement, Revere copper products are widely used—proving to be the most satisfactory answer to the problem.

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Labor's Need for Leadership

(Continued from page 40)

and, if he loses, his property can be attached and damages collected. The directors of a corporation are personally liable for losses and are subject to imprisonment for unlawful acts.

Labor has none of these responsibilities. The union is not incorporated. It may break its contract with an employer if such an action suits its purpose, and there is no effective way to hold it liable. The losses suffered by an employer as the result of an improper, unwarranted strike cannot be recovered from the union.

What happens to union money?

WHAT becomes of the millions of dollars collected from workers who, in many cases, must pay union dues or lose their jobs? Are they spent to promote the public good and advance the best interests of union members, or are they spent to subvert the ordinary rules of right and wrong and to provide plunder for the racketeering type of labor leader who is becoming increasingly numerous if current reports are true?

Today the membership in labor unions is counted in the millions. Labor leaders do not hesitate, openly and avowedly, to threaten punishment or to promise reward to candidates for political office. That the so-called labor vote can be delivered—that the American worker will abandon his right to vote according to his own judgment merely because his labor leader tells him to—is extremely doubtful. Nevertheless, it is well known that labor maintains one of the most powerful of all lobbies at Washington, and at many state capitals. In certain localities the tie-up between racketeering labor leaders and weak, demagogic politicians seeking votes is notorious and a matter of grave concern. One average labor leader has more political pull with officials and candidates for office than ten average businessmen.

Louis D. Brandeis, long known as a valiant friend of labor and, since 1916, an Associate Justice of the United States Supreme Court, in his book, "Business a Profession," published in 1914, said:

This practical immunity of the unions from legal liability is deemed by many labor leaders a great advantage. To me it appears to be just the reverse. It tends to make officers and members reckless and lawless, and thereby to alienate public sympathy and bring failure upon their efforts. It also creates on the part of the employers a bitter antagonism, not so much on account of lawless acts as from a deep-rooted sense of injustice,

arising from the feeling that, while the employer is subject to law, the union holds a position of legal irresponsibility.

I can conceive of no expenditure of money by a union which could bring so large a return as the payment of compensation for some wrong actually committed by it. Any such payment would go far in curbing the officers and members from future transgressions of the law, and it would, above all, establish the position of the union as a responsible agent in the community, ready to abide by the law. This would be of immense advantage to the union in all its operations. . . .

The unions should take the position squarely that they are amenable to law, prepared to take the consequences if they transgress, and thus show that they are in full sympathy with the spirit of our people, whose political system rests upon the proposition that this is a government of law, and not of men.

The purpose and the value, to both industry and the worker, of the legitimate, sanely conducted labor union are commended and conceded by all who are not saturated with prejudice, but blind to facts is he who can read, in papers published in every section of the country, about the astonishing, grafting, strong-arm methods practised by union representatives and still believe that union leadership is not contaminated and cankerous.

The existence of these practices has become a Polichinelle's secret—known to and commented on by almost everybody—and in this connection Newton Baker, liberal and statesman, in the December, 1934, issue of the *Atlantic Monthly*, wrote:

The cloak of respectability and partial immunity from police control soon extended over a much wider field of operations, and gunmen, educated to protect rum running, extended their rackets into labor controversies so that the free bargaining between employer and employees, sought to be assured by recent federal legislation, has with increasing frequency become a conflict between the employer, denied police protection, and the employee represented, whether he wants to be or not, by determined men who have taken force into their own hands, violently destroying property and intimidating employer and employees alike as they cruise around from one place to another calling themselves the shock troops in the labor war

Racketeers should be destroyed

WITH the legitimate, sanely conducted labor unions and their members who constitute a large and splendid body of good citizens no intelligent person will quarrel, but the union dominated by the racketeer, the paid agitator and the imported trouble-maker—who come to disrupt the life of a community in which they have no interest—is beyond the pale of all decency, deserves no tolerance

"We saw it in FARM PAPERS"



FARMER:

"Where did you get the smart idea to pick out this particular refrigerator, Mary?"

MRS. FARMER:

"Oh! I don't know—I have seen it advertised so much in farm papers that I have more confidence in it for farm use!"

★ ★ ★

PEOPLE not acquainted with the farm market are frequently amazed at the way farm families are today rapidly adopting new and better standards of living. Farm families have progressed more in this respect during the past 12 months than have folks in any other gainfully employed class.

With farm cash incomes increased 22% above last year and over 70% more than 1932, naturally farm families are buying products which make their lives brighter.

No wonder manufacturers of refrigerators, ranges, house furnishings and hundreds of other products are reaping a business harvest by advertising in farm papers.

Thirty million people live on farms, and farm papers provide the *only* economical advertising media reaching this market. Magazines of general circulation reach less than 9% of farm families while farm papers are read in *eight out of every ten farm homes*.

Yes, farmers are buying, and the way to *sell* them on *your* product is through advertising in farm papers.

YOU CAN'T SELL THE FARM FAMILY WITHOUT *Farm Papers*

FARM JOURNAL
PROGRESSIVE FARMER
SOUTHERN AGRICULTURIST
PRAIRIE FARMER
WALLACES' FARMER & IOWA
HOMESTEAD
THE FARMER (St. Paul)

SUCCESSFUL FARMING
WISCONSIN AGRICULTURIST
& FARMER
THE FARMER-STOCKMAN
FARM AND RANCH
THE OHIO FARMER
PENNSYLVANIA FARMER

HOARD'S DAIRYMAN
MICHIGAN FARMER
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PACIFIC N. W. FARM TRIO
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Idaho Farmer, The Oregon
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Money you can be sure of

Many people could get along on a small income if they could be sure of it. Make certain of the little money that spells contentment after your working days are over. Provide an income for the future under a John Hancock retirement plan. You can arrange for as little or as much as your circumstances will permit.

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and, in furtherance of the public good, should be smashed and destroyed.

The American worker is not a cringing, weak creature without backbone or intelligence, incapable of speaking for himself, of demanding his rights or of making his own bargain, and subservient to the merest whim of his employer. Of course there are and always have been greedy and grasping humans and, since the millennium has not arrived, injustices are being done in industry. But every employer is not a stony-hearted Simon Legree, without a trace of humanity or sympathetic consideration for the comfort and welfare of his employees. By no means are all of them motivated only by a desire for profit and, for the sake of profit, willing to crucify their employees without compunction, without reason and at every opportunity. Millions of workers—union members—will be the first to confirm that statement.

Most businesses are small

MANUFACTURING establishments in the United States employing 50 or less wage earners, where, more often than not, the "boss" and the "workers" call each other by their first names, in 1929 numbered 181,739 or 86.2 per cent of the total, and employed 1,689,907 or 19.1 per cent of the wage earners. Establishments employing 100 or less, where the same personal relationships between the "boss" and the "workers" are likely to exist to a considerable degree, numbered 194,206 or 92.1 per cent of the total, and employed 2,561,578 or 29.2 per cent of the wage earners. Establishments employing 500 or less, where the personal relationship factor exerts a large influence in determining wages and working conditions, numbered 208,241 or 98.7 per cent of the total, and employed 5,501,763 or 62.3 per cent of the wage earners.

In other words, only 1.3 per cent of all the 210,959 establishments employed more than 500 wage earners each, although these 2,718 concerns employed altogether 3,336,980 or 37.7 per cent of all the wage earners. Only one-half of one per cent employed more than 1,000 each, and only one-tenth of one per cent employed more than 2,500.

From these facts it seems reasonable to conclude that the allegedly vital need for the complete unionization of industry sought by labor leaders is not apparent, and that, in many cases, the intrusion of outside union representatives, with neither knowledge nor interest regarding the establishment's affairs comparable with

that of the concern's responsible head, is likely to work against rather than for the workers' welfare.

The tragedy inherent in the legislation recently enacted, because it was argued that it would benefit the worker, is in the fact that when put into practice it is likely to have an effect exactly opposite to that intended and prove to be a trap for the worker instead of a benefit.

It provides no defense against improper forms of union coercion. Usually the union organizer works not in the open but under cover. He visits the worker in his home—threatens not only the workers but their families, too. He predicts all kinds of personal trouble—mentioning the hospital, physical mishaps—and talks an intimidating language generally.

Probably nothing has contributed more effectively to labor unrest and disrupted industrial relations than the part played by the demagogue and certain types of labor leaders and politicians who viciously have preached enmity instead of amity and for their own selfish, personal reasons have done everything within their power to keep management and the worker apart. After all, the best friend of labor is the man who creates jobs.

Compelling labor unions to accept responsibility for their acts and to make accounting of their receipts and expenditures would help to correct these conditions because if, through incorporation or some other means, legal and financial responsibility is once established, society can enforce its laws. Honest, far-sighted labor leaders will not object to this procedure.

Courts have helped labor

THE short-sightedness of labor's attack on the Supreme Court and its intense desire for special privileges are made conspicuously apparent by Charles Warren in his book, "Congress, the Constitution and the Supreme Court," published in 1925. Here he reviews the cases affecting labor that have come before that tribunal. He shows conclusively that the Court is as willing to give labor its protection as to deny it.

The Court has decided about 100 of such cases and only 20 decisions could be termed in any way adverse to labor's supposed interest. Of these 20 cases only six involved the constitutionality of an Act of Congress. Six involved statutory construction of the Sherman, Clayton and other federal laws. Two involved merely questions of general law. Six involved the constitutionality of a state statute.

In 1901 the British House of Lords,



GETTING work done by others means written instructions to all concerned...

YOU have orders to be filled, instructions to be carried out, information to be passed on to salesmen and employees, records to be kept, production of one kind or another to be followed up to completion.

The day for oral instructions is gone. To "Get Things Done" you must put your instructions in writing—and send copies of that writing to all concerned. Your original writing says "Do It!" but it's the copies that get it done.



How to "Get Things Done" by others is fully explained in our new book "Copies—Their Place in Business." Write for a free copy.

Please send me "Copies—Their Place in Business" telling how Ditto will "Get Things Done" in my business. No obligation.

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in the Taff Vale Case, decided that registered trade unions were not voluntary associations and that they could be sued for damages resulting from broken contracts. The trade unions were relieved of this liability for the acts of their agents by the Trade Disputes Act, passed in 1906, but this act defined legal and illegal picketing and continued the liability of union trustees for union funds.

Putting unions under the law

THIS act, which is still the law, represents the experience of a nation that speaks our language and is the source of our legal traditions in seeking to protect its people against the abuse of the power inherent in combinations of employers or employees.

As a result of this law "labor racketeering" is practically unknown. Unions are recognized as legal entities entitled to protection by law, but forced to assume obligations and responsibilities.

A union's receipts and expenditures are reported to a governmental agency. Lawful and unlawful strikes are defined and the rights of workers who continue at work during a strike are established.

Ordinary common sense dictates that if the two great political parties, the Congress and the state legislatures were alive to their duty to workers, to business men and to the always forgotten consumers, a legislative program to provide for the regulation of labor unions along the lines of the fair and proved English Act would be undertaken immediately.

A vital social problem

THE first need, of course, is to place the whole question squarely before the troubled American workingman and prove to him that the proposal is for his and the nation's protection. In the light of his own experience—and his knowledge that the "protection" offered by the labor racketeer is actually a bejeweled paw encircling his throat—he will be quick to understand.

The problem is not political, although it requires political action. On the contrary, it is one of the most vital social problems facing the country today.

To bring it to issue would be an act of undoubted patriotism. It is a subject too long shielded from national attention. The time for discussion—and action—is here. It is the duty of all workmen and all employers to spread the word, and for all decent citizens to lend a hand. An aroused public opinion will beget the necessary political action.



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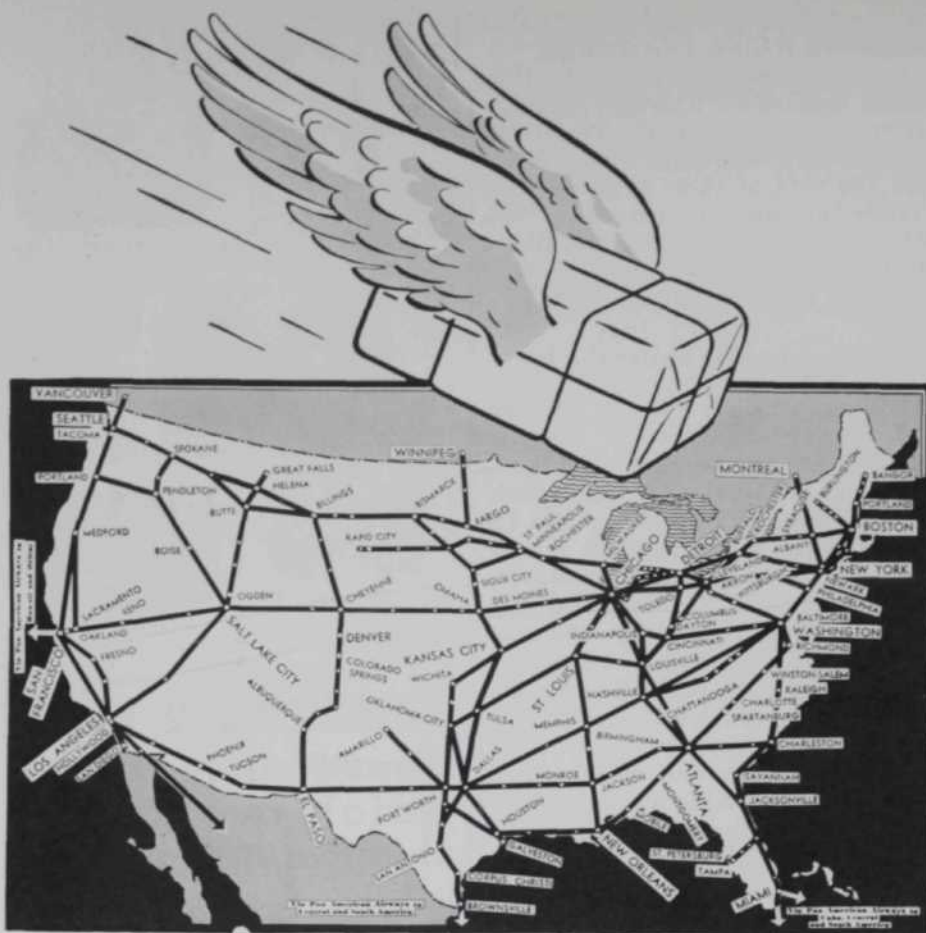
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Retailers Have Modernized

(Continued from page 33)

modernizing program, begun when things were at their worst in 1932, and carried through 1933 and 1934."

Ward Melville, president of Melville Shoe Corp., speaking of the Thom McAn shoe store chain, says:

"Ninety-five successful old stores were remodeled to such effect that they are now showing an accelerated sales curve."

M. Gottfried, president of the Hanscom Baking Corporation chain in New York, said: "Our sales volume in remodeled stores has jumped 100 to 200 per cent."

The mere fact that modernization has been carried through a whole chain is presumptive evidence that it has proved its profit-making power.

Are there objectives in business as important as profits and dividends? Some folks have been saying so. Has the modernization movement among the retailers any bearing on these loftier aims?

Of the \$375,000 spent for modernization by Hearn's in New York in the first four months of 1935 a good share went to make the employees more comfortable: a new restaurant for store people, new recreation rooms and lockers; rebuilt infirmary.

The new Loveman, Joseph & Loeb store in Birmingham has unusual accommodations for the store staff—hospital care, rest rooms and showers, in four classes: for white males, white females, Negro males, Negro females.

Intangible gains, too

ANOTHER gain is not an immediate matter of profits, but—like the benefit to employees—will make a great difference to profits and to store morale in the long run. This gain is the one that comes from the careful analysis of store needs that is almost certain—especially in these days—to precede and accompany any expenditure for modernization. Any store organization that studies how to spend a million or less for the best good of the store is bound to gain in grasp of the business and in more intelligent management and merchandising—a realization of new trends in retailing.

This benefit from modernizing a store—that it modernizes the management's way of thinking—is well expressed by Richard G. Roth, vice president and general manager of William Taylor Son & Company, Cleveland. He says that the remodeling of this store "was undertaken in

response to a distinct change in merchandising methods. Changes must have a positive trend. We conceive that trend to be toward purposeful buying. Another advance is to limit the store's merchandise to the best possible selections."

"Where is business going? Where is business coming from?" These two questions are the keynote of sane modernization or any other investment by a retailer.

Out in Seattle, a considerable part of the quarter million spent in improving the Frederick & Nelson store went for a new main floor layout after traffic conditions were studied. The new layout aims to control traffic flow through two "flume aisles" running diagonally from the main entrances.

The very responsibility of investing in store modernization involves analyzing a store's real purpose and function, its goods and services, and its clientele. For that reason, some of these expenditures for physical improvements have bought more than the tangible physical equipment and the physical tangible gains. They have meant mental and psychical improvements—a new understanding of the job the store has to undertake for today's conditions and for tomorrow's.

This gain in keener appreciation of actual facts may be as valuable as the more obvious benefits from big investments in store improvements—making work; helping industry; promoting new ideas and services; coaxing more visitors into the store; making the visitors buy; making the employees happy and efficient. If modernization has all these values, it is a good buy!

Advantages of Talk

DR. WILLIS R. WHITNEY, director of research for the General Electric Co., once said:

"While we all like the fellow who is a good listener, I'm not so sure that we don't all learn more from talking than from listening. Just try the experiment of talking on any subject, with no special plan of what you're going to say next, and see how hard it is to talk sense. See if the experiment doesn't give you far more mental drill than when you're merely listening, or perhaps reading, and letting your mind wander. I never worry about a man who talks freely.

"It is an especially desirable trait in an employee. If he doesn't like his work, he says so. Then there's a chance to place him at something he does like. Thus his talking is an advantage both to him and to his employer."

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for 1935

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NATION'S BUSINESS

Washington • D. C.

John Smith's Saturday

(Continued from page 26)

"O.K. Go to it. Let you know when it comes."

The car washer had been interrupted. He would not be finished for another fifteen minutes. John strolled out to look around the town.

It seemed to him that this was the first time in the day, except for the period of the funeral service, when he was not being talked to, or interrupted, or harried, or rushed. A kind of burden seemed to be lifted from his shoulders. He walked along slowly hailing friends, looking in store windows. No one paused to talk; the cold wind scudded people along before it.

One day for rest

TOMORROW would be Sunday. He guessed he would sleep late, and let Anna and the kids represent the family at church. Well, maybe he'd get up and go with them. Wait till morning and see. A leisurely breakfast at about half past nine would be fun, the four of them together, and no feeling of strain or hurry. Maybe they could have fruit and bacon and waffles. Fruit. Would Anna have enough for the week-end? He went to the fruit store and got a bag of oranges. At the next store he bought some cigars for himself and a box of candy for the family.

Returning to the service station, he found Anna's car ready, and drove home. It was a quarter past six—he was a bit late. He went into the kitchen with his packages. His family surrounded him.

"What's in the packages?" Claribel asked, taking them. "Oranges in this one."

"Oh, John, why more oranges? I got plenty today."

"Didn't know that; and I don't like to run short. Guess we can get rid of them in time."

"And candy," Claribel shrieked. She gave her father a quick kiss.

"Let me wash my hands and brush my teeth and I'll be ready for supper." He started for the hall.

"You could do with a clean shirt, dad, before you go out tonight." It was Bob's cool voice. The boy would be happy all an afternoon fussing with an automobile engine or wallowing in the mud of a football field; but at the end of the day he wanted a shower and clean clothing. John knew that he had never been as fastidious as his son.

He wondered if that were generally true of the fathers of his own age. Or was it merely that bathing had

become an easier and more luxurious affair in 25 years?

Anna left the children to finish preparing the supper, and followed John upstairs. She got him a fresh shirt and tie while he washed. As always, he washed and then strolled into their bedroom, still rubbing his arms and hands with a towel.

"Everything all right at home today?"

"Of course."

"What the kids been into?"

"Both of them at the high school, working on the school play. They'll give us the details at supper."

John grinned at the prospect. Bob and Claribel threw themselves into all sorts of things with so much enthusiasm, and had so much fun, and unconsciously learned team play with other people of all ages.

They went down to the dining room.

"What you kids been doing today?"

"Rehearsing the freshman play."

"What's Bob doing with a freshman gang?"

Claribel answered him. "Our class has sort of adopted Bob for a couple of weeks. Just because he's tall and strong, and not because he deserves the great honor our class has done him."

"You're using long sentences, kid, and being too grammatical," Bob rejoined. To his father he explained, "I'm helping them with their scenery."

"And what are you doing in this play, kitten?"

"I'm prompter."

"Prompter than who?" John pretended ignorance. Claribel surveyed him doubtfully.

Bob spoke up. "Don't let him kid you, brat. He knows what it's all about."

Parts behind the scenes

CLARIBEL chattered on.

"You know Sally Herman, daddy? Her part has the word 'executor'; and she just can't say it right. And how the kids have ribbed her! I'll bet she says it wrong next Friday night before all those people! You'll come to the freshman play, won't you, daddy, mother?"

"Wouldn't miss it."

The youngsters chattered on about the rehearsal. John thought, "Claribel the prompter, and Bob helping with scenery. Doing jobs out of sight of the crowd, just to make the play a success. The way their mother bosses the gang in the kitchen for a church supper. O.K. by us. Sometime

maybe they'll get their chances to shine."

As he finished his second cup of tea, Morton Rowan telephoned. For five minutes John bargained, directed and explained about moving those logs. Returning to the table, he exclaimed, "Thank heavens, that finishes my week's work!"

"How did your board meeting go, dad?" Bob inquired. John told what their committee had done, and a little of the discussion of the teachers and doctors.

Plans for the evening

PRESENTLY it was 7:45. This supper table group was about to dissolve.

"Help me pick up the table, Claribel. We'll leave these dishes till morning; you can help me with them then. Be sure to get back by ten this evening, darling."

"Back from where?" John asked quickly. He wanted to know where his children were.

"Just across the street from Josephine's." And John was satisfied.

"We changed our plan, mama. Josephine is coming here. We'll read—some—maybe. We've both got some outside reading to do for English. Then we'll both be here to help you with those refreshments."

"Pinochle Widows?" John asked. Four wives whose husbands were pinochle fiends, together with eight other women, composed the Pinochle Widows, an informal club that met on Saturday nights to play contract.

"Yes, it's my turn."

"Maybe those extra oranges will come in handy."

Bob announced that he and several other boys were going to Tubby Holman's for the evening. Tubby had an emery wheel in his workshop; all the boys were going to bring their skates to see if they could sharpen them. There might be skating any time now.

Claribel cried out, "Oh, daddy, can I have new skates this winter? My old ones are just terrible."

"It's not the skates that make you fall down, kid," Bob said. Claribel made a face at him.

"Mother and I will see about it, honey," John assured her.

There was no need to ask what John would do that evening. Saturday evenings from 8:15 till 11:00 were sacred to pinochle at the Odd Fellows Club Rooms. A group of eight men had played together there almost every Saturday night for years. It was the high point of the week for all of them.

John walked down to the club rooms; the walk in the cold wind would clear his head. The players all arrived promptly, hailing each other jovially. They played from 8:15 till

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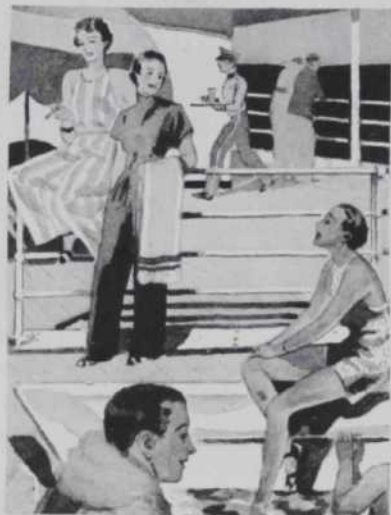
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10:30, a tight, skillful game. It was good sport, this matching of luck and wits. None of them had to feel that he was fighting time. The two men who had low total scores for the evening had to pay for the refreshments.

Play ceased at 10:30 and sandwiches and bottles of ale appeared. There was desultory talk about things of local interest. The high school football team had had a pretty good season; good thing for the boys to lose a game occasionally. Another passenger train was to be dropped from the town's service. Bill Winter's brother was making good progress after his operation. School taxes had been lifted a notch again.

John munched his sandwiches in silence. He was thinking about his cronies, all of them business men. Jenkins, wholesale candies; Thompson, a cattle dealer; Winter, plumbbers' supplies; Perkins, the feed mill; Dubois, the quarry; Vandermuellen, a commuter, salesman for a linen importer; Adams, farm machinery. Every one of them had family responsibilities, and served on various boards—school, hospital, library, Red Cross, or church—and encountered a mess of business grief every year, and indulged in little oratory.

Heads of the community

APART from their business and formal committee connections, these men all performed other useful functions in the community. Their minds were stored with exact information about many things, and younger men turned to them for advice. They gathered impressions of public feeling concerning matters economic and political, and served as interpreters of such matters to a wide circle of acquaintances. In short, they helped to keep the community a going concern. The town had 3,500 population; if you took out of it about 50 men such as these, it would be a rudderless ship.

John reflected a little about his own function as a business man and citizen. What would be true of him would be true in various degrees of these cronies of his.

John knew that he did not have certain satisfactions in life that came to some groups of men. A mason could build a chimney, and say to you, "Look at that chimney, feel it, measure it. There it'll stand for 50 years or more. My hands built it." A farmer could take you out to see his pen full of hogs, and say, "I bred those, and fed 'em. There's food for a lot of folks. My brains and muscle did that." Even a teacher could say, "See that engineer? Well, ten years back I used algebra and geometry as a sort of whetstone to sharpen his mind." But a business man—what did he do?

"Well," John told himself, "nothing that a man could put his hand on that

way. I assemble lumber from Idaho and Georgia and the next county, and machinery from Ohio to cut it up, and nails from Pennsylvania, and other stuff from a dozen other places; and labor from among my neighbors. Not too much lumber and stuff at one time, to cover me up; and not too little, so that my customers can't get what they want.

"And I practically say to my men, 'There's lumber, and machinery and nails. Cut out some machinery crates, or build window frames.' And they make window frames, say, and the frames go into houses somewhere. But I can't put my hand on a frame and say, 'I built this.' And half my men think the business would go on just the same if I was not there. And when my men take their pay checks they don't wonder where the money came from. And my day's work is just one darned interruption after another. And no single thing I do seems important, but the total of what I do makes a business go, out of which a dozen men make their living. And I never get done at five o'clock. And I fight time all day. And some of the time I'm just making futile motions.

"And every little while something I could not have foreseen gives me a swift kick in the pants, and leaves me poorer in pocket. And my neighbors rate me richer than I am, and rather expect me to live up to their notions. And a few people hate me, especially if they think I've made a little money on something. And the state and national capitol are full of birds in position of authority, most of whom never tried to do much business under their own steam or had to worry about getting next week's pay roll together, who believe that business men like us eight here have only three functions in the scheme of things—to pay all the taxes and obey all the regulations they can put on us, and to keep our confounded mouths shut.

"Still and all, I'd rather be a business man than anything else under the sun. Golly, but that weekly battle is interesting!"

The group broke up at 11. John walked home to find the Pinochle Widows still at their contract bridge. He entered quietly through the back door.

He found Claribel in the kitchen, yawning. She had carried out the dishes from the refreshments, and had just finished sorting them.

"Where's Bob?"

"Upstairs. Came in a little while ago."

"Let's surprise your mother and do these dishes. Supper dishes, too. Just you and I. I'll wash 'em. Less to do in the morning."

"Dad, you're a peach." Claribel kissed him. Sounds from the front of the house came to them faintly. They could be quiet and Anna would not hear them. Claribel got two aprons and put one on her father, giggling at the funny figure he cut. They two found it lots of fun to do anything together, even wash dishes; and they did not get too many chances.

They were nearly done before the bridge party broke up, and Anna started a circuit of the house to see that everything was in order. Bob

heard her outcries of surprise at the conspirators, and came downstairs in his bathrobe. John and Claribel finished their dish washing; Bob and Anna put the gleaming dishes away. They were very noisy and gay about it.

Then they discovered it was midnight. "Gracious, children, it's past time you were in bed! Scoot!" The sleepy children went upstairs.

Anna helped John take off the apron. John took care of his furnace for the night. He put out the lights as he went up through the house.

In their bedroom John was at last completely relaxed. The feeling of fighting time was gone. He was tired. He could sleep late in the morning. He yawned prodigiously.

As he undressed, Anna told him what Claribel had said that morning. There was tenderness in the amusement with which they regarded these struggles of youth in determining the principles according to which life choices must be made. The kids would come through all right. They were good kids.

John rolled into his bed and was almost instantly asleep. Before she too dropped off, Anna heard his first snore.

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The division devoted to toys will include some 900 exhibits. Other important displays will be devoted to jewelry, glassware and ceramics, household and kitchen wares and utensils, radio, chemicals, advertising novelties, musical instruments, leather goods, furniture and textiles. The Merchandise Fair will be held from March 1 to 6 and the Engineering Fair from March 1 to 9 inclusive.



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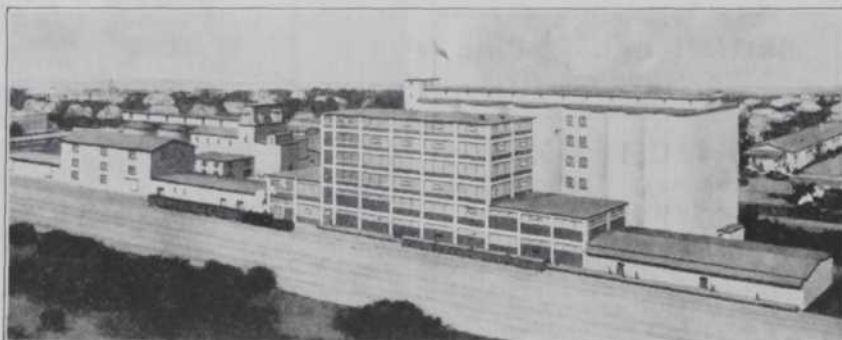
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A Business Man Looks at Government

(Continued from page 16)

Free and heavy spending of government funds in excess of revenues tends to destroy the prudent attitude of the people toward public money which is necessary to keep government expenditures within reasonable bounds. Special interest groups are insistently demanding government gratuities. The will of the public to resist these demands has been weakened. The situation is demoralizing.

Business men and their organizations can render a constructive service to their communities and to the country by stimulating an intelligent understanding of the menace inherent in unbalanced budgets and excessive taxation. An alert public sentiment alone can successfully resist such taxation and bring expenditures into line with revenues.

At this time no complete fiscal program for the next year has been made public. The appropriations for that year have not yet been voted. Business men and their organizations can render further constructive service by urging that a federal budget, revised in the light of existing conditions and complete in all totals, be at once prepared by the Executive and placed before Congress. Until a complete fiscal program is available, the public cannot gauge the total amount of proposed expenditures and Congress cannot vote intelligently on individual appropriation bills, some of which are even now having its consideration.

Expenditures must be reduced

IN this revised and complete executive budget, intensive efforts should be made to reduce the present staggering proposed expenditures. It is urged that relief be given in such a manner that, combined with efficient administration, the burden placed on public treasuries will be kept to a minimum compatible with the alleviation of hunger and other physical distress. It appears well demonstrated that the federal Government cannot efficiently administer relief funds. Construction of public works as a means of relieving unemployment is excessively expensive. It also results in many instances in projects not necessary in the public interest and increases permanent maintenance charges on the national, state and local treasuries.

Official statements have been repeatedly made to the effect that the relief of individual distress should be

returned to the states where traditionally it belongs. Loans to the states, in liberal terms, would afford a transitional method of returning to the states and local units their long established obligations.

By following these policies and with a will to reduce expenditures, it would appear feasible to limit in the next fiscal year the expenditures for the item of "Recovery and Relief" to the \$1,100,000,000 unspent balances of existing appropriations which will be available, plus such reimbursable advances to the states as may be necessary.

While the President is authorized to prepare estimates and submit recommendations, it is the constitutional duty of Congress actually to vote the appropriations. When the President submits the revised and complete budget, then conditions make it highly desirable that each House of Congress fix a date on which the proposed budget will be discussed, not by individual items but as a complete fiscal program. Such a procedure would give both Congress and the public an understanding of the fiscal situation which cannot be obtained by the usual method of voting individual appropriation bills, especially when Congress does not have before it complete estimates of expenditures. Business men cannot understand piecemeal appropriations made without considering the total impact on government revenues.

A balanced budget is not merely an abstract ideal without material significance. An equilibrium between federal revenue and expenditures would give the nation the surest foundation for permanent recovery through restoration of confidence, the elimination of fear of new and heavy taxes and by placing an effective brake on present inflationary trends which are becoming menacing.

Government regulation and control may come and go, experiments in the name of a new social order may be tried, permanently adopted or discarded. They may or may not accomplish their purpose. When poorly conceived or applied they leave their scars, but the body politic recovers.

Not so with excessive government spending. Somehow, sometime, the tax gatherer will take his toll and public debts must be paid or repudiated. Repudiation is not in the lexicon of honorable men.

We must continue our demands for good housekeeping and sensible management in federal fiscal affairs.

EDITOR'S NOTE: While Mr. Clausen is chairman of the U. S. Chamber's Committee on Federal Finance, and his views are based upon its deliberations, he wishes it understood that this is not a Committee statement.



Theatre District, Kobe

Reach Japan

Until the era of Trans-Pacific air lines, the fastest service to the Orient is by the great white *Empresses*, holders of all records to and from Yokohama.

Only 10 days to Yokohama by *Empress of Asia* or *Empress of Russia* ...speeding the Direct Express Route. 3 days more to spare? Take the Paradise Route via Honolulu ... *Empress of Japan* or *Empress of Canada*.

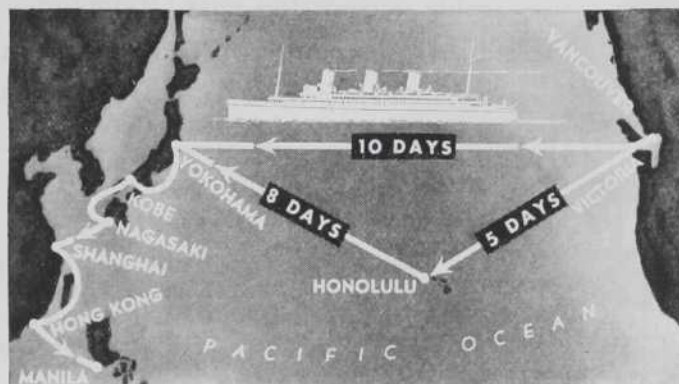
Empress of Japan is not only the *fastest*, but also the *largest* liner on the Pacific. All *Empresses* offer every travel amenity found on the Atlantic. Daily radio paper ... swimming pools, gyms, and deck-sport layouts ... finely appointed rooms with the same privacy and comfort you enjoy in your own home. Why not plan to "go Empress" on your next trip?

In Ten Days

Frequent sailings from Vancouver (trains to ship-side) and Victoria to Yokohama, Kobe, Nagasaki, Shanghai, Hong Kong, and Manila. If you sail from San Francisco or Los Angeles, connect with an *Empress* at Honolulu. Orient fares include passage to and from Seattle. Low all-year round-trip fares ... First and Tourist Class. Low-cost Third Class on all *Empresses*. Ask about inclusive-cost tours.

Secure maps, booklets, and rates from YOUR OWN TRAVEL AGENT or Canadian Pacific: New York, Chicago, San Francisco, Washington, Montreal, and 36 other cities in the United States and Canada.

By Empress



Canadian Pacific

Burroughs

NEW MACHINES for recording the payroll and earnings information required by the SOCIAL SECURITY ACT

As employers face the responsibility of maintaining more adequate payroll and earnings records for each employee in order to meet the requirements of the Federal Social Security Act and related legislation, they will be interested in recent Burroughs machine developments.

Large and small employers alike are finding that these developments in the complete line of Burroughs bookkeeping and accounting machines enable them to select the exact equipment they need to handle their payroll records with greater speed, ease and economy.

If you have not already done so, it will pay you to investigate—to find out how Burroughs can assist you to meet your payroll and earnings records problem with the minimum change

in equipment, and at the lowest possible accounting cost. Telephone the local Burroughs office. Or, if more convenient, mail the coupon below.

**MAIL
THIS COUPON
TODAY**

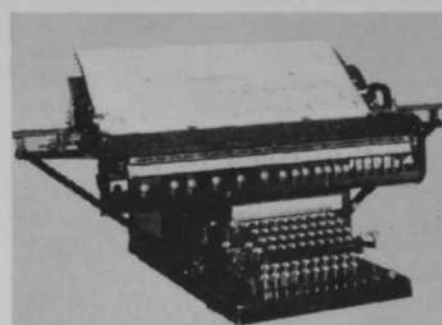
BURROUGHS ADDING MACHINE CO.
6123 Second Blvd., Detroit, Michigan

I should like complete information on:

- ☐ Burroughs Typewriter Payroll Accounting Machine; ☐ Burroughs Desk Bookkeeping Machine; ☐ Burroughs Electric Carriage Check-Writing Typewriter; ☐ Burroughs Automatic Payroll Machine.

Name _____

Address _____



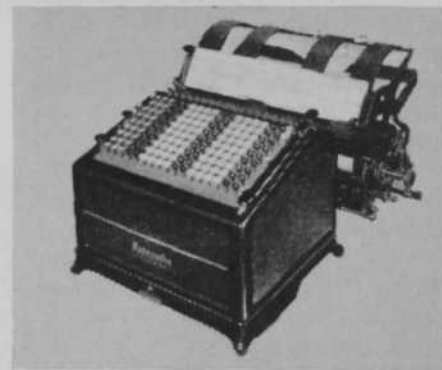
Burroughs Typewriter Payroll Accounting Machine writes check, earnings record, employee's statement and payroll summary in one operation. Column selection automatically controlled. All totals accumulated.



Burroughs Desk Bookkeeping Machine posts earnings records, automatically prints dates in proper columns, automatically subtracts deductions—calculates net pay.



Burroughs Electric Carriage Check-Writing Typewriter writes payroll checks either in units or in strips. Payroll summary completed at same operation. Fast and easy insertion and removal of checks.



Burroughs Automatic Payroll Machine writes check, employee's earnings statement, earnings record and payroll summary in one operation. Accumulates all necessary totals, automatically ejects and stacks checks in order.

Toward Chamber Cooperation

METHODS by which the U. S. Chamber of Commerce and local chambers may best cooperate in facilitating business operations were fully discussed by the Executive Committee of the National Association of Commercial Organization Secretaries and the staff of the U. S. Chamber at a two-day conference in Washington in January.

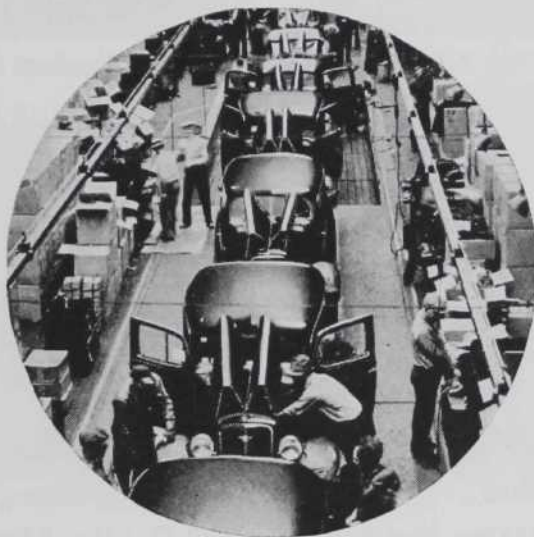
Discussion centered upon the various problems involved in the present governmental program and its effect upon business and the country as a whole with the conferees endeavoring, on the one hand, to make suggestions as to how the National Chamber might best assist its local chamber members and, on the other, how the local chambers might more effectively aid the National Chamber in developing and effectuating its policies.

Among the subjects informally dis-

cussed were: The work of chambers of commerce, revival of residential construction, transportation and communication, distribution, natural resources, agriculture, public finance, investment protective activities, fire prevention, health conservation, accident prevention, financial responsibility for motorists, workmen's compensation laws, industrial development, social security, government regulation of industry, foreign trade and subversive activities.

Problems presented in each of these fields were considered and, in many cases, procedure for meeting them was recommended. At the close of the conference these recommendations were assembled in a report which was presented to the Board of Directors of the U. S. Chamber and, by it, printed and distributed to secretaries of local chambers of commerce.

BELLRINGERS



Automobiles and Progress

THE PRICE of progress paid by one motor car company, as dimensioned by Alfred P. Sloan, Jr., head man of General Motors:

"The design and the processing of the great majority of the products of industry, when once established, continue over a period of many years—sometimes indefinitely. Not so with the automotive industry. It redesigns; retools; reequips, to an important degree, and places in production and merchandising a more or less different product each year, and limits the specific cycle of each particular product to a twelve months' period. Such a pro-

cedure involves a large expenditure of both capital and man power. In the case of General Motors, we spend for tools and machinery, in an average year, about \$20,000,000—frequently it reaches \$30,000,000, depending upon the technological advance that has been made in the intervening period.

"And this, entirely independent of an operating charge of \$10,000,000 applicable to new developments involving engineering and research. . . .

"It may well be asked: 'How can such a procedure be justified?' Because it is the price of progress."



He shaves as he reads

And why not? With the Schick Dry Shaver he need not see his face. He cannot cut himself as there are **NO BLADES**; there is no messiness as he uses **NO LATHER**. It is so simple and convenient to get a quick clean shave with this truly wonderful invention. The Schick Shaver is for men with tough beards or tender skins. See one today. Any Schick dealer will demonstrate. If none is near you send \$15 to Dept. N.

SCHICK DRY SHAVER, INC., STAMFORD, CONN. Western Distributor: Edises, Inc., San Francisco. In Canada, Henry Birks & Sons, Ltd., and other leading stores. (Canadian price, \$16.50.)

SCHICK

Operates on
AC and DC



SHAVER

GET MORE BUSINESS

...Use Post-Card Ads!...

Now you can **illustrate, print and address** the cards yourself—all operations—on a simple little machine called the

Elliott Cardvertiser

Uncle Sam furnishes the penny postal cards . . . you have no cuts to buy or type to set. Businesses of all kinds—Retailers, Manufacturers, Wholesalers—are rapidly discovering the big results from post-card messages sent to customers and prospects. Cardvertiser models from \$60 to \$150.

Write on business stationery and receive sample cards for your line.



THE ELLIOTT COMPANY
155 Albany St. Cambridge, Mass.



HULL AUTO COMPASS

Have you ever taken the wrong road and driven many miles before discovering your mistake? This new **AIRPLANE TYPE COMPASS** constantly tells your direction of travel. Sticks to windshield. Base 1 7/8" diameter ONLY \$1.95 POST-PAID, including Compressor. **SATISFACTION GUARANTEED.**

If your dealer cannot supply you, order direct.
HULL MFG. CO., Box 246-N, Warren, Ohio



A Distinguished Address

You're near the White House, Treasury, all Government Buildings, Theatre and Shopping Districts, when you stay at *The*

WILLARD HOTEL

"The Residence of Presidents"

Washington, D. C.

H. P. SOMERVILLE, Managing Director

• POPULAR FALLACIES OF ADVERTISING •



"Advertising . . . Bah!
85% Hokum . . . 15% Commission!"



"Resolved: That the Present Extent
of Advertising is Deplorable"



"We'll Advertise When Things
Get Better"



"Advertising is Just a WAR of
Adjectives"



"Nobody Believes Advertising
Anyway"



"A Good Product Sells Itself"



"Advertising Never Sold ME
Anything"



"Advertising Makes You Buy
Things You Don't Need"



"Cut Out the Advertising and
Reduce Your Prices!"



"Advertising Confuses the
Consumer"



"Only the Big Fellows Can
Afford to Advertise"



"Let's Abolish All Advertising!
... It Would Save a Billion a Year!"

• POPULAR FALLACIES OF BUSINESS •

This Campaign is Old Stuff . . .

OLD STUFF TO YOU! It is even older to us. Fallacies have been grist to our editorial mill since 1916. Fallacies of advertising; fallacies of insurance; of banking; retailing; manufacturing; railroading.

Now a whole new class of fallacies plague business. You hear them expressed by your taxi driver, the gas station man, the barber, and the fellow just across your desk.

Says the taxi driver:

"Why should I be taxed for an unemployment fund? Let the boss pay it—he's the one who lays us off."

And the filling station attendant:

"The 30-hour week will make four jobs for every three we have now. Don't tell me that wouldn't cure unemployment pretty quick!"

Says the barber:

"A man's a fool to save money or to buy insurance now that we're going to have old age pensions from the government."

And your business associate:

"Suppose there are too many people on government payrolls. What of it—they spend their money, and money in circulation makes good business."

Here is fallacious thinking that affects all busi-



AS an advertising man you resent unfair attacks upon the integrity of your profession. You appreciate a defense spread before 275,000 fellow business men, your clients. ¶Every business suffers likewise from fallacious thinking—

coal, ice, banks, railroads, wholesalers. They likewise esteem a stout defender. ¶For 20 years Nation's Business has fought popular fallacies of every business. That is one reason why it holds the loyalty of its readers.

ness—not just advertising or banking or retailing. Business men have to meet such fallacies daily. They must know the right answers. That is why 275,000 alert executives subscribe to Nation's Business and read it with interest and respect.

That is why advertisers continue to use it month after month and year after year.*

*The seventy-one advertisers using the March issue have been in Nation's Business an average of six years.



NATION'S BUSINESS

275,000 NET PAID CIRCULATION

PUBLISHED MONTHLY AT WASHINGTON BY THE UNITED STATES CHAMBER OF COMMERCE

California by sea



and by rail



WHEN you cross the continent, add five glorious days at sea to the fast train trip. And *save money*, because meals and berth on the ship are included in your rail fare!

The map shows the route: our famed *S. S. Dixie* between New York and New Orleans, our air-conditioned *Sunset Limited* between New Orleans and California, the most romantic rail journey in America. Through the *Sunset Limited's* windows you'll see a thrilling moving picture of the real south and west: cotton fields, the Texas range, Mexico, Southern Arizona's mysterious desert, California.

This rail-sea trip may be made, at the regular rail fares, from New York and New England to the Pacific Coast, or the reverse. Return by one of Southern Pacific's other scenic routes (shown below).



TEXAS CENTENNIAL EXPOSITION, Dallas, June 6 to November 29 and SAN DIEGO EXPOSITION, California, now to September 9, are directly served by our trains.

Southern Pacific

For information and literature about a trip west, write O. P. Bartlett, Dept. NB-3, 310 So. Michigan Boulevard, Chicago.

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HOW GLOBE-UNION MFG. CO. CUTS FIGURING COSTS



A "Comptometer" Division of Globe-Union Mfg. Co., Milwaukee, Wis.



SAVINGS mentioned in the letter to the right exemplify the economies made possible through "Comptometer" applications.

Such economies are effected by using figures taken from their originating point, without recopying, to produce final results. This method is fast, accurate, flexible, simple, economical.

For an explanation of the "Comptometer" Peg-Board method, call the District Manager of the "Comptometer" office in your locality, or write direct to Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Illinois. An inquiry incurs no obligation.



GLOBE-UNION MFG. CO.

Storage Batteries, Spark Plugs, Roller Skates, Centralab Products

900 EAST KEEFE AVENUE
MILWAUKEE - WISCONSIN

February 1, 1936

Felt & Tarrant Mfg. Co.
1735 North Paulina Street
Chicago, Illinois

Gentlemen:

Since the adoption of "Comptometer" Peg-Board methods, we are securing our sales statistics from five to eight days earlier than formerly, without any increase in personnel. In addition the reports are more complete and easy to interpret.

We are also using Peg-Board methods in preparing our factory payrolls, with equally good results. Our yearly savings under the new procedure amount to approximately \$4,000.00, and we are extremely well satisfied.

Very truly yours,
GLOBE-UNION MFG. CO.

E. J. Ehrenkrantz
Auditor

CJE:AF



FACTORIES AT MILWAUKEE, WIS. • PHILADELPHIA, PA. • MEMPHIS, TENN. • CINCINNATI, OHIO • AND STATTLE, WASH.

COMPTOMETER

Reg. U. S. Pat. Off.

During 125 years Time and Disaster
have tested and proved the dependabil-
ity of the promises of the Hartford Fire
Insurance Company. Buy Hartford
Tested insurance and be *Sure!*

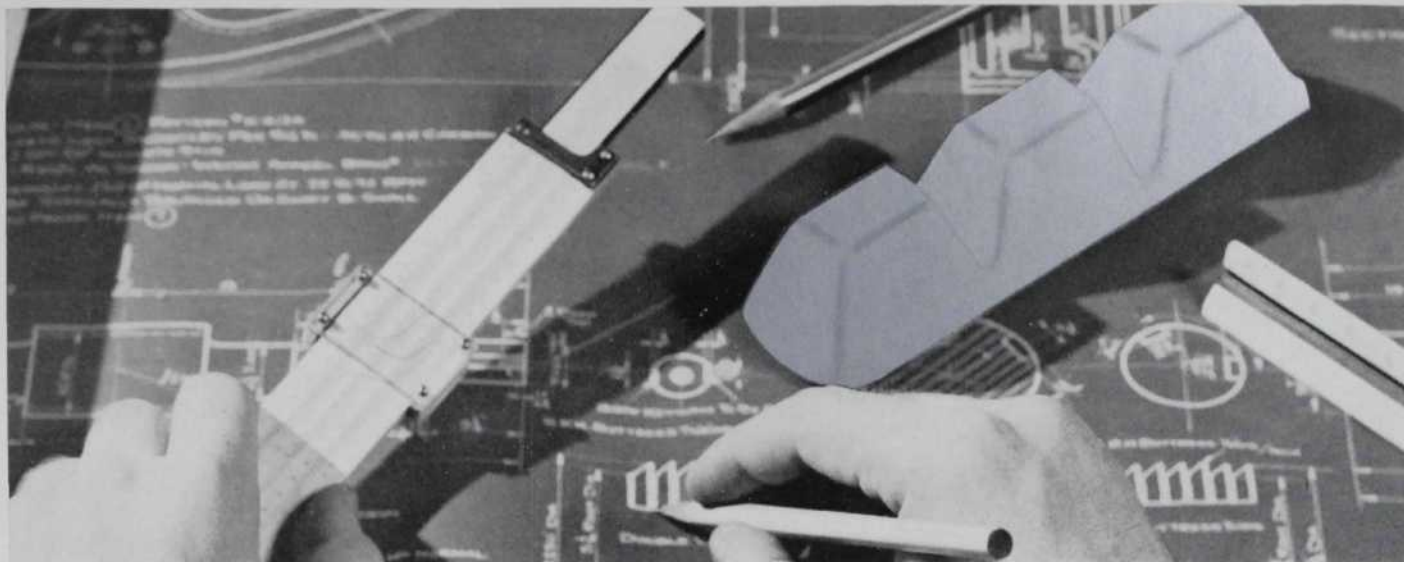


THE HARTFORD FIRE INSURANCE COMPANY
THE HARTFORD ACCIDENT and INDEMNITY CO.
HARTFORD · CONNECTICUT

HARTFORD INSURANCE IS SAFE AND CONVENIENT. There is a rigid test for insurance just as there is for every other worth-while product. The test for insurance is time. Back of every Hartford policy stands a 125-year record of honorable business dealings. Many thousand agents of the Two Hartfords in every State of the Union and in Canada offer you this tested insurance.

Your Hartford policy guarantees you tested insurance protection and prompt, intelligent insurance service, no matter where you are when emergency arises. It is a great convenience for Hartford policyholders to be able always to find the nearest Hartford representative by calling any Western Union office. In Canada call Canadian National Telegraphs.

TRIBUTE TO CERTAIN SKEPTICS



NO EXTRAS were rushed to the streets on that February day, fifty years ago, when Charles Martin Hall discovered the commercial process for making Aluminum.

Engineers called no meetings to deliberate on ways and means of utilizing this newcomer to the great family of metals.

Yet it was the engineers, the architects, the designers, who gave Aluminum its first opportunities; their continual challenge and their co-operation made possible the present universal usefulness of Aluminum.

In the beginning, Hall and his associates had the quite understandable hope that they needed only to offer metal to a waiting world at greatly reduced prices, and forthwith there would emerge Aluminum bridges, railroad trains, and whatnot.

Feverishly they worked up their production to the then amazing figure of a ton of ingot-metal a day. But, to their astonishment, nobody wanted as much as a ton of these ingots at any price!

Engineers were interested, but humanly skeptical. And why not? They had command of familiar metals in convenient forms, such as sheets and tubes, rods and wire. Granting all the advantages of Aluminum, it was available only in the form of ingots, a highly inconvenient form of metal from which to build a railroad train.

It was this normal human reaction that forced the

infant Aluminum industry, quite against its will, to invest in costly machinery, and to set up rolling mills, foundries, and fabricating plants for turning Aluminum into the usable forms in which other metals were available.

Now the engineer had something to work with. Here and there a bold pioneer screwed up his courage and began to specify Aluminum for some new use. Others in the profession followed suit. Presently new forms, new shapes, and new and still better characteristics began to be called for.

The engineers were setting the pace!

Their challenge stimulated the development of a versatile range of strong Aluminum alloys; also new forms of Aluminum, such as Alclad sheet; and new and attractive finishes, such as Aluminite. Capabilities were developed in Aluminum that had never been demanded of other common metals.

To solve problems arising out of the widening use of Aluminum, and to anticipate future engineering requirements, this company, as one factor in the Aluminum industry, established Research Laboratories and a Development Division.

That assistance is no less than is due the engineering profession. For it is because of the progressiveness of engineers and designers that Aluminum is now being used for the bridges and railroad trains visioned by the founders of the industry, in the first flush of their enthusiasm.

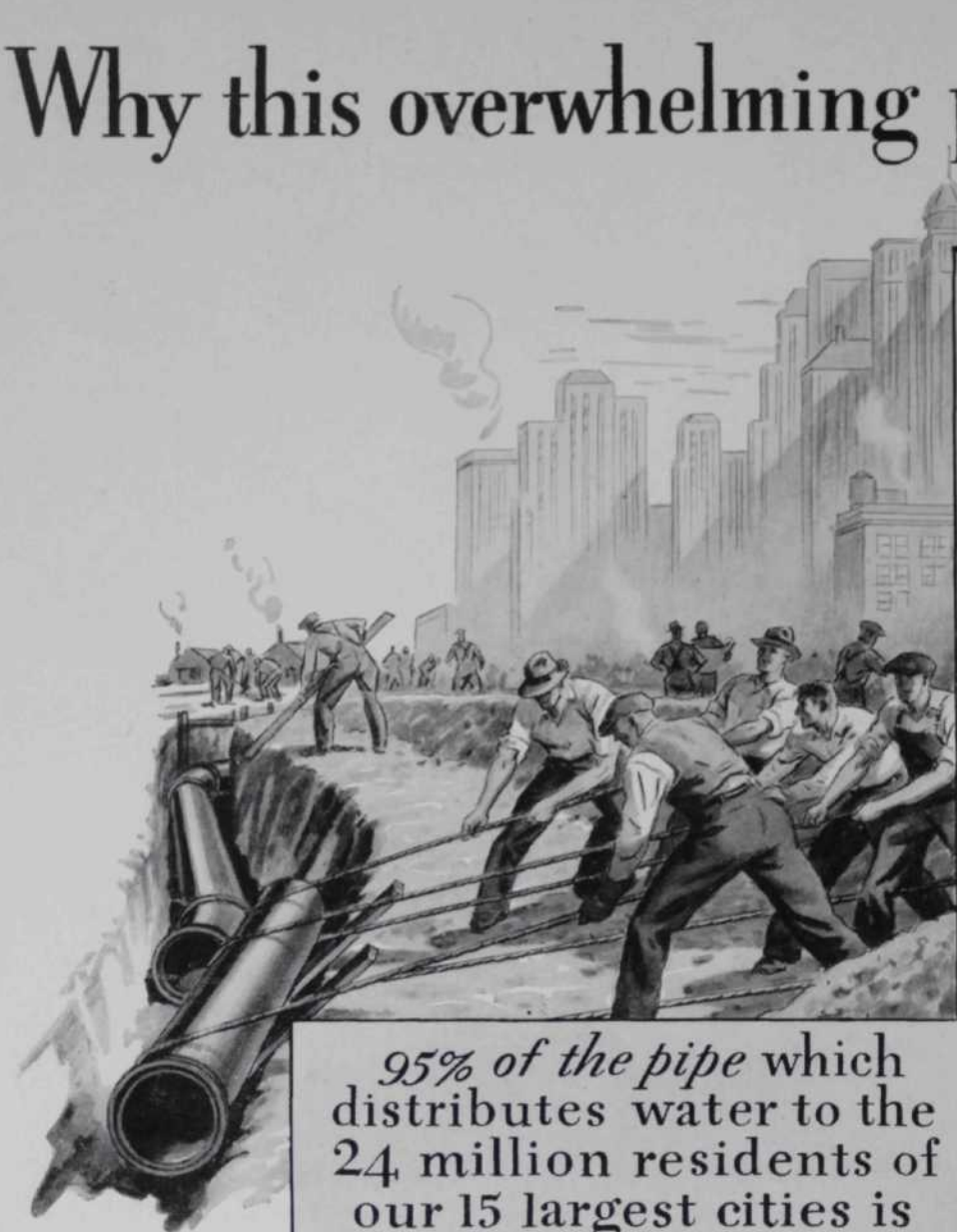
A FIFTIETH ANNIVERSARY MESSAGE FROM

A L U M I N U M C O M P A N Y O F A M E R I C A

Why this overwhelming preference?

The following tabulation shows the percentage of cast iron pipe used in the water distribution systems of the 15 largest cities in the United States as reported in 1935 by their Water Departments.

CITY	PERCENTAGE
New York	97.2
Chicago	100.0
Philadelphia	98.3
Detroit	98.7
Los Angeles	74.0
Cleveland	98.9
St. Louis	98.7
Baltimore	99.7
Boston	99.8
Pittsburgh	97.9
San Francisco	76.8
Milwaukee	100.0
Buffalo	99.8
Washington D.C.	98.8
Minneapolis	95.8



95% of the pipe which distributes water to the 24 million residents of our 15 largest cities is Cast Iron Pipe

THE great majority of American cities depend almost exclusively on cast iron pipe for water distribution mains because of its unquestioned economy and long life. With modern traffic conditions and high-cost pavements a pipe line must go down to stay. Engineers rate the useful life of cast iron pipe at 100 years. Its full span of service is yet to be measured. Suffice it to say that the first recorded installation of a cast iron water

main, now 271 years old, is still in service.

Cast iron pipe is the standard material for water mains. Its useful life is *more than a century* because of its effective resistance to rust. It is the one ferrous metal pipe for water and gas mains, and for sewer construction, that will not disintegrate from rust.

For further information, address The Cast Iron Pipe Research Association, Thos. F. Wolfe, Research Engineer, 1014 Peoples Gas Building, Chicago, Ill.

CAST IRON PIPE

METHODS OF EVALUATING BIDS NOW IN USE BY ENGINEERS



RATE THE USEFUL LIFE OF CAST IRON PIPE AT 100 YEARS